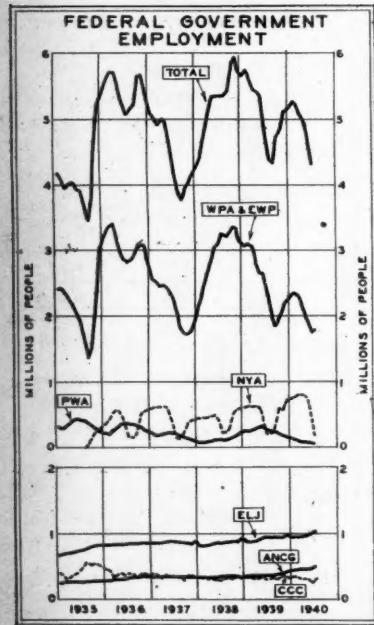


Week ended	Freight-Car Loadings	Steel Mill Activity	Electric Power Prod.	Auto Prod.	Lumber Prod.	Cotton Mill Activity	Comb. Business Index	Cyclical Price Index
1939.	Misc. Other. Total.	Activity.						
Sept. 16.	84.1 100.8	89.0	106.4	102.9	94.3	78.5	139.3	99.9
Sept. 23.	84.9 99.6	89.3	122.5	102.1	108.6	78.4	132.6	101.1
Sept. 30.	84.8 101.8	89.8	125.7	102.1	114.7	81.3	137.0	102.0
1940.								
Aug. 17.	79.6 101.4	86.1	136.4	107.0	86.8	85.5	135.2	103.8
Aug. 24.	81.9 101.1	87.6	140.7	106.6	97.1	85.1	138.4	104.4
Aug. 31.	81.5 100.0	87.0	144.5	107.2	99.4	83.0	141.1	105.5
Sept. 7.	82.1 100.7	87.6	140.4	105.7	150.0	80.9	139.7	106.1
Sept. 14.	83.0 101.1	88.4	142.9	105.3	178.6	84.8	140.2	107.2
Sept. 21.	88.6 141.2	106.7	199.0	107.5	106.8	102.0	174.3	110.3
Sept. 28.	138.1	...	...	...	...	...	106.8	110.3

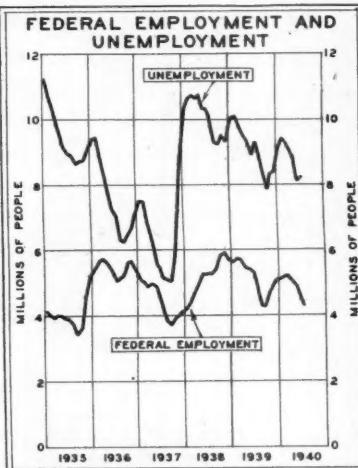
*Estimated. [†]Revised. [‡]Computed as of Wednesday.



Key: WPA, Work Progress Administration; EWP, Emergency Work Program; ELJ, executive, legislative and judicial establishments; CCC, Civilian Conservation Corps; PWA, Public Works Administration; ANCG, Army, Navy and Coast Guard; NYA, National Youth Administration; the total includes employees of the RFC, USHA and "regular" Federal appropriations, not known separately. Source: U. S. Bureau of Labor Statistics. Last point: July. But on Sept. 30 the WPA said that the maximum October enrollment would be 1,800,000, as compared with an actual enrollment of 1,659,941 on Sept. 4 and 1,657,196 on Sept. 11. These figures compare with the latest July BLS figure of 1,759,210.

tire post-war period, owing to the loss of the Continental market and smaller exports to England and Japan. Exports of foodstuffs remained low. But exports of semi-manufactured goods, seasonally adjusted, were higher than in any other month since September, 1919. And exports of finished manufactures rose sharply.

Exports of iron and steel, including scrap, were higher. Copper exports increased, particularly to Japan, on account of fears of an embargo. Russia imported more copper. Aircraft exports established a new high record as shipments to England reached a new peak. Machinery exports increased. Fears of the loss of markets caused by German invasions of various countries would cause a decrease in total exports have yet to be realized.



Sources: Federal employment, U. S. Bureau of Labor Statistics; unemployment, National Industrial Conference Board.

Imports were moderately lower all along the line, with the exception of a moderate gain in semi-manufactures.

The question of how the defense program is to be financed is one of increasing importance, and one in which there is increasing interest, as shown by the fact that it was one of the principal topics of discussion at the annual convention of the American Bankers Association at Atlantic City. An address by W. Randolph Burgess was devoted entirely to that topic; and he discussed its broader aspects with so much wisdom and clarity that we print his address in full in this issue.

There is only one way in which the tremendous burden of defense expenditures can be partly lightened, and that is by offsetting economies in non-defense expenditures. That there is ample opportunity for such economies is obvious; but that the Administration will take advantage of it is equally doubtful, because on the subject the Administration is silent. It is undoubtedly this silence, indeed, that has led to widespread fears that despite the increased employment being created by the defense program, the Federal Government will expand its work-relief activities prior to the election.

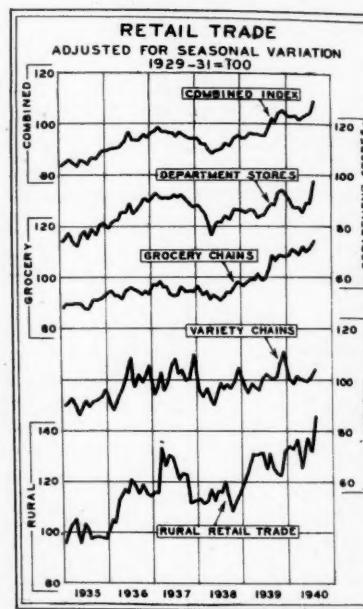
Senator Robert A. Taft, for example, on Sept. 22 said: "It [the WPA] is never

adjusted fast enough to meet real needs, but it always reaches a peak just before the November election, as it did in 1936 and 1938, although in both years business was improving during the Summer."

The accompanying chart of Federal Government employment shows that WPA and total government employment did increase just prior to the 1936 and 1938 elections. In both instances, moreover, business conditions were such as to deny the need for expansion in work relief. In 1936, for example, there was a seasonal rise in unemployment beginning in October, but expansion in Federal employment began in July. In October and November Federal employment was at the same level as in the previous Spring, although unemployment had decreased in the meantime. In October and November, 1938, Federal employment reached a new high record, despite the fact that unemployment, though it was large, had been declining since June.

Will history repeat itself during the period from now until the November, 1940, election? Thus far there is little to indicate that it will, at least on any large scale. WPA employment increased slightly in July, and the July decrease in total Federal employment was caused by a seasonal decline in NYA employment. The defense program has brought about new high records in the number employed in the executive, legislative and judicial establishments, and in the Army, Navy and Coast Guard. But thus far there has been little indication of pre-election expansion in WPA employment.

Nevertheless, after all is said that can reasonably be said in justification of the 1,800,000 employed on WPA, the number is too high from the standpoint of the proper financing of the defense program. WPA defense construction is comparatively small. From June 13 to Aug. 31, according to a study by the National Industrial Conference Board, WPA defense projects amounted to \$33,879,000, as compared with total Army and Navy contracts of \$2,243,991,000. If the Adminis-



tration has any intention of affording as much relief as possible to the taxpayers, it is time for it to begin reducing WPA employment, which on the contrary has held practically stationary since last July, the latest month shown on the chart.

D. W. ELLSWORTH.

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SEP 26

The Recent Trend of Member Bank Earnings and the Outlook for 1940 and 1941



By S. L. MILLER

JUDGING from the member bank reports for 1939, the commercial banking system enjoyed the best year, as far as profits go, since 1929, with the exception of 1936. Net profits (including recoveries on loans and investments and profits on securities sold but after charge-offs on earning assets and depreciation) amounted to \$347,477,000 for all member banks last year. This compared with \$465,317,000 in 1936 and \$556,514,000 in 1929 (see Table I).

Were it not for the declaration of war and the unsettled it caused in the bond market, the year's results might have been much closer to those of 1936 than they actually were. For unquestionably profits on securities sold were cut down by the September, 1939, drop in bonds. Total profits on security sales fell by more than one-half from \$127,287,000 in the first six months of last year to \$62,454,000 in the second six months.

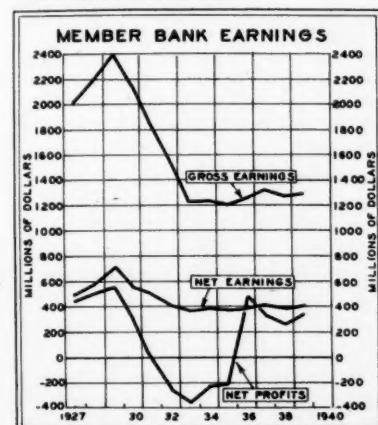


TABLE I. NET EARNINGS, RECOVERIES AND PROFITS OF ALL MEMBER BANKS (Millions of Dollars)

	Gross Earnings	Net Recoveries (+) or Losses (-)	Net Profits (+) or Losses (-)
1927	2,014	498	-51
1928	2,194	580	-76
1929	2,399	715	-158
1930	2,158	554	-247
1931	1,841	506	-494
1932	1,504	410	-665
1933	1,237	378	-734
1934	1,244	338	-619
1935	1,227	374	-555
1936	1,271	399	+66
1937	1,321	419	-82
1938	1,274	334	-119
1939	1,296	401	-54
			-347

¹After all current expenses. ²Losses less recoveries on earning assets, or recoveries less losses, whichever is larger; includes depreciation.

As Table I indicates (so do Tables III and IV), net charge-offs and recoveries on earning assets together with profits on securities have been the major variable in bank earnings. Last year was no exception.

in 1929, even though the form of bank credit extension on securities was entirely different. Just as the end inevitably came to security speculation in 1929, so must there inevitably come to an end income from profits from the sale of the banks' security holdings. And when this period comes there may indeed be lean years for banking. This is the longer term outlook.

Indefinite Period of Easy Money Ahead

Both the short-term and long-term forecasts of bank earning prospects appear to presuppose a continuing period of easy money. This is not a condition necessary to the validity of this appraisal of the outlook. Any significant rise in money rates will bring about a marked increase in the amounts charged off on account of declines in the value of bond holdings and a marked decrease in profits from security sales or even actual losses therefrom. This will certainly tend to hold down, if not entirely offset, any tendency of income from loans and from newly purchased securities to increase.

But it is this author's belief that easy money will continue as a sign of the times for an indefinite period. That war does not necessarily mean higher interest rates is borne out by the experience of Great Britain and Canada which are not blessed with huge idle funds. To the objection

that Great Britain requisitioned the American security holdings of its citizens who were then forced to place their uninvested funds in the London capital market and so artificially ease interest rates, there is the twofold answer: (1) Where did the government get the money from? and (2) Canada has not requisitioned any American securities owned by its nationals.

The defense program, it is true, will involve huge sums—according to Secretary Morgenthau, at least \$5,000,000,000 in the fiscal year ending on June 30, 1941. (Great Britain is spending more). Business activity cannot help but rise. Despite all the efforts of the Administration, the banks will have to play a part in financing this program directly. In other words, commercial loans and probably intermediate term loans will be sought by business in increasing volume and will be granted by the banks.

But it should be remembered that much of the defense financing is being done by the government through the RFC. This is especially true where new plants and extensions to existing plants are necessary. In a great many instances the government is renting new productive facilities to private companies which will operate them. The Federal Government retains ownership of the plants, thus assuring a smooth change-over to a peacetime economy

Table II. Earnings on Loans and Investments of All Member Banks

	Earnings on Loans.	Earnings on Investments.	Percentage to Income From Loans and Investments of Income		Percentage to Total Loans and Investments Of Investments.	
			From Loans.	From Investments.	From Loans.	From Investments.
1927	\$5.45	\$4.70	73.2	26.8	70.2	29.8
1928	5.69	4.72	73.4	26.6	69.6	30.4
1929	6.10	4.68	76.8	23.2	71.7	28.3
1930	5.39	4.55	74.1	25.9	70.7	29.3
1931	4.94	4.11	69.1	30.9	65.0	35.0
1932	5.08	3.89	65.0	35.0	58.7	41.3
1933	4.68	3.53	58.6	41.4	51.7	48.3
1934	4.33	3.28	53.3	46.7	46.3	53.7
1935	4.16	2.76	51.6	48.4	41.6	58.4
1936	4.09	2.59	51.3	48.7	40.0	60.0
1937	4.00	2.57	53.5	46.5	42.5	57.5
1938	4.08	2.46	54.8	45.2	42.2	57.8
1939	4.19	2.29	56.8	44.2	40.8	59.2

¹Per \$100 of loans. ²Per \$100 of investments.

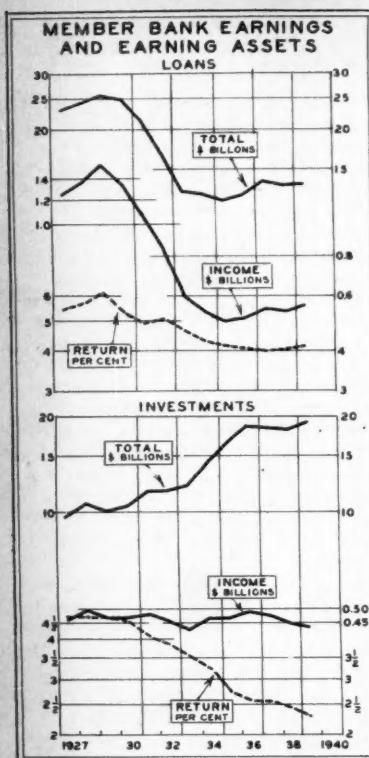
Table III. Losses and Recoveries on Loans and Investments of All Member Banks

	Losses on Loans.	Losses on Investments.	Recoveries on Loans.	Recoveries on Investments.	Net Loss on Loans.	Net Recoveries on Investments.
1927	\$0.54	\$0.38	\$0.11	\$1.21	\$0.43	\$0.83
1928	0.54	0.94	0.10	0.94	0.44	...
1929	0.49	0.43	0.11	0.96	0.38	0.53
1930	0.78	1.05	0.09	0.80	0.60	-0.25
1931	1.36	2.26	0.13	0.71	1.23	-1.55
1932	2.41	2.59	0.15	0.51	2.26	-2.08
1933	3.29	2.85	0.22	0.66	3.07	-2.19
1934	3.62	2.22	0.36	1.28	3.26	-0.94
1935	2.11	1.18	0.60	1.64	1.51	0.46
1936	1.65	0.70	0.75	2.08	0.90	1.39
1937	0.76	0.79	0.55	0.80	0.21	0.01
1938	0.92	1.00	0.34	1.13	0.58	0.13
1939	0.81	0.93	0.41	1.27	0.40	0.34

¹Per \$100 of loans. ²Per \$100 of investments. ³Includes profits on securities sold. These were \$1.22 in 1936; \$0.53 in 1937; \$0.64 in 1938, and \$0.98 in 1939. ⁽⁻⁻⁾ Denotes loss.

Table IV. Significant Income and Expense Items of All Member Banks, 1929-1939

	Amounts Per \$100 of Loans and Investments									
	1939.	1938.	1937.	1936.	1935.	1934.	1933.	1932.	1931.	1929.
Earnings:										
Interest and discount on loans	\$1.71	\$1.72	\$1.70	\$1.64	\$1.72	\$2.01	\$2.42	\$2.98	\$3.21	\$3.81
Interest and dividends on investments	1.36	1.42	1.48	1.55	1.62	1.76	1.71	1.60	1.44	1.32
Trust department	.28	.28	.30	.28	.27	.26	.24	.23	.22	.22
Service charges on deposit accounts	.17	.16	.14	.13	.12	.10	.08	...	...	...
Total earnings from current operations	3.96	4.04	4.05	4.06	4.17	4.62	4.95	5.45	5.51	6.71
Expenses:										
Interest on deposits:										
Time	.49	.54	.54	.56	.88	.84	.93	1.06	1.16	1.25
Demand					.01	.02	.03	.05	.17	.42
Salaries and wages	1.19	1.20	1.15	1.12	1.16	1.22	1.22	1.25	1.23	1.29
Taxes	.26	.26	.27	.26	.22	.23	.23	.24	.26	.31
Total curr't expenses	2.73	2.82	2.78	2.78	2.88	3.15	3.44	4.01	3.99	4.53
Net earnings	1.22	1.22	1.29	1.27	1.29	1.46	1.51	1.44	1.51	1.57
Recoveries, profit on securities, etc.:										
On loans	.17	.14	.23	.30	.25	.16	.12	.09	.08	.07
On investments	.17	.17	.16	.51	.96	.69	.32	.21	.25	.27
Profits on securities sold	.58	.48	.30	.74						
Total recoveries, etc.	1.00	.89	.79	1.62	1.30	.94	.50	.40	.38	.33
Losses & Depreciation:										
On loans	.33	.39	.32	.66	.87	1.68	1.70	1.41	.88	.55
On investments	.55	.58	.46	.42	.69	1.19	1.38	1.07	.79	.31
Total losses and depreciation	1.16	1.26	1.04	1.41	1.86	3.24	3.43	2.73	1.96	1.83
Net profit or loss (—)	1.06	.84	1.04	1.48	.73	—.83	—1.42	—.89	.04	.87
Source: Annual report of the Board of Governors of the Federal Reserve System, 1937, pp. 140 and 141 and the Federal Reserve Bulletin for May, 1940, p. 460.										



to the banks in at least one case this author knows of—the banks offered a company engaged in defense work a term loan at a lower rate than the government's leading lending agency did.

Three Stages of National Defense

It appears as though the national defense program will evolve through three stages, what with America's notorious industrial and military unpreparedness. These stages are also likely to see differing intensities of demand for bank funds. Although all the steps will be overlapping, it is obvious that the initial phase will be dominated by expenditures for construction and the making of new, specialized machinery and equipment. The building of new factories for defense and barracks for conscripts and marked activity in machine tool plants will be the chief characteristics of this stage, although the actual production of munitions and the training of men will go forward. During this period the banks may look for expanding term loans to industry and a heavy demand for funds by the government, the latter being by far the more important.

That this initial phase is now in operation may be surmised from the chart on page 395 which shows that although commercial loans of the banks fluctuate almost directly with inventories, the level of such loans relative to inventories is now much higher than it was in 1937. While loans are now approximately at their 1937 peak, inventories are still 8 per cent below their high point. In view of the many term loans announced in the daily papers in the last few months, it may well be that the recent gains in business loans have been the result of increased term loans and not of strictly commercial borrowing.

Most of the second stage in the evolution of the national defense program should see construction of the defense industries largely completed and the actual operation of the munition plants going full tilt. In this situation the banks are likely to be the recipients of an added demand for funds in the form of more strictly commercial loans or working capital loans from the munition makers (aircraft and ship builders, etc.) for the purpose of meeting increased payrolls and carrying larger inventories and accounts receivable.

Term loans to industry may well decline as well as government borrowing for construction purposes. But the Treasury will still be in need of funds to purchase the products of the munition makers. The aggregate demand for funds at this stage of the game is likely to be smaller than in the preceding one.

The third and last stage of military preparedness assumes that the defense industries have been built up, the Army and Navy equipped and trained and that the government's defense expenditures are merely for maintenance of the military and naval forces and for replacement of obsolete and worn-out equipment. Here expenditures are smallest, and so is the demand for bank credit.

This rather oversimplified description of the evolution of military preparedness in the United States contemplates that the banking system will experience a greatly increased demand for credit and that that demand will be heaviest in the first two stages of that evolution, with perhaps the initial phase the heaviest of all.¹ Thereafter demand will fall off and most rapidly during the so-called third stage. This pattern fits in neatly with our forecast of the near-term outlook for bank earnings.

A more detailed survey of the 1939 bank operations reveal a number of oddities or peculiarities in the earnings reports. Total income from loans, for instance, rose some \$17,000,000 during the year, while average loans outstanding increased only \$48,000,000. From Table II it may be seen that earnings from loans averaged 4.19 per

cent, the highest since 1934, whereas, according to Table IV, interest and discount on loans came to only 1.71 per cent of total loans and investments, as against 1.72 in 1938. Income from investments fell some \$4,000,000 last year at the same time that average security holdings rose \$1,170,000,000. Again turning to Table II, net earnings from loans were 55.8 per cent of total earnings from both loans and investments, as compared with 54.8 per cent in the preceding year. Yet the proportion of loans to total loans and investments fell to 40.8 per cent last year, as against 42.2 per cent in 1938.

These seeming anomalies are explainable in terms of changes in kinds of loans outstanding and the kinds and maturities of the securities held. During the year the low-interest-bearing loans, like loans to brokers and to others on securities, loans to banks, and acceptances held, fell while commercial and industrial loans, commercial paper, real estate and all other loans rose. The net result was a moderate increase in the average outstandings of higher-interest-bearing loans. This same trend is in evidence during 1940.

The decline in income from securities cannot be entirely explained by the fall in high-grade bond yields. For, although long-term U. S. Treasury bonds yielded 2.36 per cent during 1939, as compared with 2.56 in 1938, and although Moody's AAA bond yields also fell to 2.76 from 2.91 in the same period, member bank holdings of securities averaged \$1,170,000,000 more than they did in 1938. The other factor in the situation is the general switching that went on from corporate bonds into lower-yield governments and from long and intermediate maturities which bear high returns into shorter maturities with, in many cases, nominal yields. There was also a shift out of long and short term into intermediate governments. The central reserve city banks in New York and Chicago did most of this shifting.

Investment Maturities Shortened

The tendency of the banks to become more "liquid" by reducing the average maturity of their bond portfolios denotes an increasing distrust of the bond market and a more cautious attitude. The banks are preparing to cut their losses to a minimum in the event of a change in the trend of money rates—despite the fact that such a policy has been disproved by events several times. During 1940 this cautious view still held, for holdings of securities maturing within five years or less rose to \$8,653,000,000 at the end of June, 1940, from \$7,818,000,000 at the end of 1939. During the same period, member bank holdings of bonds with maturities in excess of five years declined some \$320,000,000.

On the whole, member banks have shown a better rate of return on capital invested than have the insured non-member commercial banks. In every year since 1934, according to Table V, member banks have consistently reported this higher return. Last year the member banks earned 6.33 per cent on total capital, as compared with 4.11 per cent for the non-members. There is no particular reason for this extra profitability of the member institutions except that they pay much lower rates per dollar of time and demand deposits. In fact, in 1939, interest paid on time and savings deposits averaged 1.36

¹In discussing the interest rate outlook in *THE ANNALIST* of July 18, 1940, the writer suggested that the first year of the defense program would not harm the high-grade bond market. In this connection, distinction should be made between the first year and the first phase of defense preparation. Defense is likely to be held up initially by such bottlenecks as government red tape, Congressional bickering, lack of skilled labor, lack of sufficient machine tools and capacity to make them, etc. At any rate, the position of the writer is that national defense will not adversely affect high-grade bonds at all.

per cent, as compared with 1.71 per cent for non-member banks. There is, therefore, nothing inherent in the greater "profitability" of the member banks over the non-members.

The profitability or profitableness of banking has certainly diminished since 1929. As Table IV shows, expenses have been cut to the bone, and the elimination of interest on demand deposits has been

TABLE V. PERCENTAGE OF NET PROFITS TO TOTAL CAPITAL ACCOUNTS

	Member Banks	Non-Member Banks
1934	—4.45%	+11.21%
1935	4.14	+0.48
1936	8.93	5.57
1937	6.32	4.25
1938	4.93	3.42
1939	6.33	4.11

(—) Denotes deficit.

¹Based on average total capital for 1938-39. Capital not reported in 1934 and 1935.

the one thing that has kept the banks alive. Much has been said about reducing expenses further. Some have advocated a reduction of the deposit-insurance assessment, which now stands at one-twelfth of 1 per cent on total deposits. In 1939 total assessments came to \$40.7 millions, or less than 0.2 of 1 per cent of operating expenses. Deposit-insurance assessments cannot be eliminated altogether as yet, so the reduction would be a drop in the bucket as far as bank earnings are concerned.

RFC's Stake in the Banks

Another way of saving money has been going on quietly in the last few years. It is shown in Table VI. The RFC's stock holdings in the commercial banking system have been gradually reduced year after year until in 1939 they amounted to less than \$500 millions, a decline of 45 per cent since the end of 1935. The same criticism can be leveled against elimination of all RFC holdings as against the suggested reduction of deposit-insurance assessments. It is a drop in the bucket as far as bank earnings are concerned.

But the RFC capital notes and debentures and preferred-stock holdings are in a slightly different category. In many cases, the banks don't need the extra capital, especially since their idle cash is so large. And, furthermore, the return on these securities has been greater in every year from 1935 to date than on the banks' own capital stock. Inasmuch as the dividends on RFC holdings are preferred, there certainly can be no reason for their higher yield. This certainly is no square deal for the stockholders, even if it is a new deal.

TABLE VI. RFC STAKE IN THE COMMERCIAL BANKS

(As of Dec. 31; in millions of dollars)

	RFC Holdings	Bk.'s Own Cap.
Number of Divi- Banks	Amt. dends 1%	Amt. dends 1%
1934	5,402 \$822 \$17.8 2.2	\$5,330 \$170 3.2
1935	5,675 867 33.2 3.8	5,343 174 3.3
1936	5,298 643 34.5 5.4	5,686 189 3.3
1937	4,887 548 24.2 4.1	5,856 201 3.4
1938	4,651 524 18.4 3.7	5,911 202 3.4
1939	4,333 477 18.4 3.9	6,047 214 3.5

¹The fact that RFC capital account is stated for the year-end only and that it fell rapidly from year to year overstates the dividend yields. Averaging RFC capital figures for each two years gives the following results: 1935, 3.9%; 1936, 4.6%; 1937, 4.1%; 1938, 3.6%; and 1939, 3.7%.

The banking system is in a very excellent position to take on increased business. The quality of its assets has never been higher, even though there are some misgivings about the large amounts of securities held. Cash is abundant. The spread between deposits and capital, on the one hand, and earning assets, on the other, has never been greater. The outlook for increased business is better than it has been since the Twenties. What with the new sources of income, such as service charges, personal loans and installment financing, and with the future demands of the defense program, the near-by prospects for bank earnings have never looked better. The longer-term outlook is not so cheering, being dependent upon the establishment of a sound peacetime business prosperity.

Financing Industrial Expansion and Working Capital Requirements of the Defense Program

Federal Loan Administrator Jesse Jones Defines RFC Policy

By THEO. R. GOLDSMITH

WASHINGTON

JESSE JONES, Federal Loan Administrator, is denying rumors that the Reconstruction Finance Corporation is attempting to monopolize industrial loans for plant expansion and working capital arising from the national defense program at the expense of private lenders. Shortly after taking the oath of office for his new and dual position as Secretary of Commerce, Mr. Jones found time to give me the following direct explanation of his policy.

Since he first became chairman of the RFC at the beginning of this Administration, Mr. Jones has always taken the position that the RFC did not wish to compete with private institutions, and, therefore, only made those loans which commercial banks were unable or unwilling to absorb. In connection with its long established industrial loan program, the RFC, therefore, had heretofore insisted that applicants for loans are required to furnish evidence that they had been unable to obtain the needed funds from private lenders.

At a recent press conference, however, Mr. Jones admitted that applicants for loans related to the national defense would not be required to furnish proof that they had been unable to obtain the loan through private banking channels. The failure to insist upon such evidence aroused the fear that the defense program would be used by government agencies as an excuse to encroach further upon the domain of private lenders.

Insinuations that Mr. Jones had reversed his long-standing policy of encouraging private banks to do as much business as possible did not come from banking quarters alone. The question has recently been raised in defense commission circles as well as by officials of other government agencies. For that reason it seemed especially appropriate to obtain information from Mr. Jones to the effect that these fears are entirely unfounded.

Hopes for Private Financing

Mr. Jones told me that he now hopes, as he always has, that private lenders will absorb all the loans made by the RFC which already are or will become good commercial risks. He pointed out, however, that "time is of the essence" in the defense program; and that the RFC, at the moment, is in a position to make commitments much more rapidly than private lenders. Pending the clarification of certain legislative and contractual uncertainties, many of the commitments the RFC has made would hardly qualify as commercial risks. He referred to the amortization and other questions held in suspense during the Congressional debate on the Excess Profits Tax, and to the pending Sumner-Barkley bill, which will permit the assignment of claims against the government on defense contracts as security for loans.

With the time factor and these considerations in mind, Mr. Jones, therefore, chose to grant immediate commitments to industrial applicants simultaneously with their contract negotiations with the service departments and the Defense Commission here in Washington. But Mr. Jones pointed out that he expected to make these loans at a rate of 4 per cent. He indicated that

after the above-mentioned legislative and contract uncertainties had been removed banks might wish to "take some of these loans away from the RFC" at a somewhat lower rate. He said he would welcome such a transfer if the borrower has no objection.

Incidentally, Mr. Jones pointed out that he was one of the early sponsors of the above-mentioned bill (H. R. 10464) to make claims arising from government contracts assignable. He became interested weeks ago in this legislation, which has been favorably reported by committees in both houses of Congress, with the express purpose of making as many defense loans as possible eligible risks for private lenders. The Defense Commission is now working on a new contract form to include an assignment provision. To what extent this will be considered airtight protection to the lender is not known.

It should be borne in mind, however, that some of the commitments now being made by the RFC under special authorization of Congress for defense purposes may not

become acceptable commercial risks for a considerable time. Some corporations are organizing subsidiaries which will borrow from the RFC for the erection of needed defense plants, rather than borrow directly in order to avoid parent-company commitments on such loans.

In some of these cases it will take say five years to amortize the plant, but the RFC is taking a commitment at a time when actual contracts covering only about two years' operation of the plant have been negotiated. Here the government through the RFC is gambling on the chance that additional contracts sufficient to amortize the plant and repay the loan will ultimately be granted. If not, the government through the RFC will take the loss.

Private Lenders Cannot "Skin Cream"

If additional contracts are negotiated with the government to remove this risk, the RFC will be only too glad, according to Mr. Jones, to let private lenders have the entire loan. He does say that if a loan for plant expansion is made to be repaid in five annual installments, he would not permit a private lender to acquire the first one or two installments, which are protected by existing contracts, leaving the balance of the commitment involving the risk, in the hands of the RFC. Such a scheme which would permit private lenders to "skim off the cream" on any individual

loan, would not, in his opinion, be justified. My attention was also called to the Defense Plant Corporation, an RFC subsidiary which has been organized to acquire defense plants and equipment outright. These plants and equipment will be leased to industrial companies on an annual or per-unit manufactured basis. This plan will be utilized in cases where the manufacturer does not wish to take even an indirect commitment on the plant. There will, of course, be no basis for participation of private lenders in such lease developments unless or until the plant is sold to an industrial company.

But Mr. Jones told me that in almost every case prospective borrowers are informed that working capital requirements (which are usually well protected by contracts in hand) should be obtained from private lenders. Although the RFC has made some substantial commitments for working capital purposes, it would not be surprising if commercial banks assumed such commitments before any money is actually advanced.

Mr. Jones gave me the distinct impression that he is still as much of a champion of private lending institutions as ever, and that if the borrower is willing, he will be glad to have private lenders relieve the RFC of as many defense loans as possible after the original risks resulting from present legislative and contract uncertainties have been dissipated. He indicated that the RFC would not attempt to make

Continued on Page 421

Financing the National Defense Program

By W. RANDOLPH BURGESS*

Vice Chairman of the Board of The National City Bank of New York

ANUMBER of years ago bankers, business men and economists were seriously worried because the United States Government was failing to balance its budget. There were predictions of a breakdown of government credit and of inflation. That was a perfectly reasonable belief, for the history of government finance seemed to show pretty clearly that the wages of financial sin is death. Yet for nine years now the budget of this government has been seriously out of balance. We are looking forward to a still larger deficit in the current fiscal year and as far as we can see into the future. But people are less worried today about inflation or other serious financial consequences than they were six or seven years ago. Government bonds are selling at approximately the lowest yields of all time, and it would now appear that the government can borrow easily and at very low interest rates all the money it is likely to need.

How shall we account for our extraordinary complacency in these unusual circumstances? It is no doubt partly that we have become accustomed to them. Those who have cried "Wolf" have been wrong so often that we no longer trust them. Also there has been growing up a considerable school of thought to the effect that the old experience as to the inflationary consequence of unbalanced budgets was not necessary, but was due to archaic economic processes which may be superseded today.

A number of recent writers have suggested that Germany has discovered the answer, which is that war is a matter of production and not of money, and that if a nation will only order its production properly it can fight a war almost indefinitely.

nately without involving itself in serious financial difficulties. The suggestion is that if we would only think in terms of men rather than of money we no longer need concern ourselves seriously about budgetary deficits and the old shibboleths of monetary science. To any who have studied financial history it sounds a little like saying that the wages of sin is not death but life everlasting.

German Experiment Not Finished

In judging the truth of this somewhat startling suggestion we ought to note that the last chapter of the German experiment has not yet been written. It is worth recalling that the historic German inflation did not take place mainly during the last war but after its close. After the first year of war there had been little price advance, and even at the end of the war prices in Germany were only twice as high as at its beginning. The current experiment is not finished, and it remains to be seen what the final consequences will be.

The lesson of history is pretty clear, that major wars lead to inflation. It was true in this country in the Revolution, the War of 1812, the Civil War and the World War. It has been true of other wars in other countries; the link between war and inflation appears to have been practically unbroken. It is a record which places the burden of proof on those who suggest that a new era has arrived in this respect.

Yet the subject is too vital to be dismissed with general statements or historical analogies. The size of the financial undertaking now facing this and other countries makes it essential for us to examine more fully the economics of the problem. There is a considerable literature on the subject. One of the briefest and most complete statements of the

essential principles is to be found in an address before the Army War College in 1922 by Benjamin Strong, former Governor of the Federal Reserve Bank of New York. More recently they have been discussed by the English economist J. Maynard Keynes and by Jerome Frank, chairman of the Securities Exchange Commission. In their broad outlines these three discussions of the problem are in agreement. It is theoretically possible to conduct a war without inflation. The heart of the problem is the relation between the increase in the volume and activity of money and the increase in the production of goods. If as a consequence of government spending people have more money to buy things with than there are things to be bought, prices tend to rise.

Can Inflation Be Minimized

Now theoretically it ought to be possible for a country to finance a war or huge defense program without excessive increases in money and in prices. There are four areas for action in seeking to accomplish this feat:

- (1) Keep down government spending;
- (2) collect large taxes;
- (3) divert the people's savings to meet war costs;
- (4) control the effects of increased buying power by controlling prices and consumption.

Germany has been active in all four fields. Its war costs are kept down by paying low wages and requiring long hours of work. It collects large taxes. It forces business and individuals to buy government securities and so diverts savings to war uses. It prevents added purchasing power from raising prices or competing for goods by rigid price control and rationing most articles of consumption. Even so it appears from the available figures that Germany is not avoiding some substantial increase in money. The government is borrowing from the Central Bank and from the private banks. Both the volume of bank credit and paper

*Address before the National Bank Division of the American Bankers Association, Atlantic City, Sept. 23.

money circulation are increasing. The usual effects on prices have been avoided as yet, partly through the direct control of prices and consumption. But the very fact that there has been an increase in credit and in the government debt leads to some doubt whether even with her controls Germany can in the long run wholly escape the normal consequences of war finance.

But for us the significant part of this analysis is the complete and detailed governmental control of the economic life of the country required by this sort of program for avoiding inflation. The analysis makes it clear why wars have in the past practically always meant inflation. The easiest way is to borrow. Few countries have been prepared to subject themselves to the stringent and thoroughgoing control implied in the formula suggested above, and practiced in Germany.

Can a Democracy Compete .

In the face of these facts the question which inevitably arises is how a democracy can compete in war with a totalitarian State which is able to control all these elements. Certainly it would appear on the surface that any democracy is at a great disadvantage compared with the authoritarian State. How can we meet this situation?

In war or a huge defense program like ours there are two directions in which we might travel. One is to copy the authoritarian methods, to become ourselves a socialistic State in the sense that the government would be given absolute control over the life of the people. It is appalling to discover how many people are willing to adopt that sort of solution for the present problems of the United States. In order to combat Nazism as a form of government some propose that we surrender in advance, and adopt that form of government ourselves in the hope possibly that when the conflict is over we might be able to revert to a democracy once more. The proposed cartel plan for South America was an example of exactly this sort. It was a proposal to establish complete authoritarian control over the production and marketing of goods. It was fortunate that this plan died of its own weight before the Havana conference, and that conference under the leadership of Secretary Hull adopted wiser and more liberal proposals. There are other examples arising constantly in recent discussions of legislation before Congress, such as the proposal to take over plants for the defense program by force rather than establishing conditions for a spirit of cooperation.

Certain compulsions beyond those of peacetime are unquestionably required in time of war and emergency, but how far must they go? Is there another alternative to complete regimentation of the lives of the people? I believe there is, and that it is to be found in the capacity of a democracy for analyzing its problems and for subjecting itself voluntarily to the disciplines required by the situation. It is our democratic faith that a people so disciplining itself will win wars from a people enslaved by its government. Woodrow Wilson stated it, "The highest and best form of efficiency is the spontaneous cooperation of a free people."

How Expansion Was Limited

It is worth recalling that we fought and won the last war in this general way, and that the inflation in this country was limited, at least in some measure, by deliberate forms of self-restraint. We limited the expansion of bank credit in two ways: first, by the Liberty Loan campaigns, through which a considerable part of war costs was met out of savings rather than bank credit, and second by voluntary curtailment of enterprises requiring credit. One of the special restraints which applied particularly to the country's

money was that the government did not borrow directly from the central bank, although the newly created Federal Reserve System was available as a facility which might have been abused.

On looking back at the war experience we can now see that there were a number of other steps which might have been taken which would in retrospect have limited the inflation. The most important lapse perhaps was that we were not sufficiently conscious of the price problem; and business, labor and government did not resist sufficiently the upward spiral of costs and prices. We are today fortunately much more conscious of that problem, and there has already been definite voluntary resistance to upward price movements. We are, moreover, starting this defense program with a level of tax rates in effect far higher than was true at the beginning of the last war; so that in any period of expansion we should be likely to collect taxes more rapidly.

A more important difference still between the present position and that of the World War is that we start this period of national defense with substantial unemployment, with large excess supplies of food and raw materials and with the volume of industrial production far under the country's reasonable capacity. That is a distinction which should greatly affect the policies to be adopted. For if we revert to our formula, which was that inflation took place when purchasing power increased more rapidly than production, this country has today the facilities by which a further increase in purchasing power may, with wisdom, be paralleled by largely increased production. Hence inflation should be easier to avoid. In theory at least there is no inherent reason why a \$5,000,000,000 a year defense program should not be added to our present national production without substantial decreases in the total of production for other purposes. We have the labor, we have the money in super-abundance, and we have the engineering and business ability.

Our Industrial Position Different

Our industrial position is quite different from that of Germany or England, for those two countries are working at approximately maximum capacity, and they can only produce additional war materials by reducing their production and consumption in other directions. What they need is a redistribution of their national effort. What we need is a stimulation of our total national effort. While England and Germany may require methods which will cut down the nation's consumption in one direction to make available manpower and capacity for the defense program, we do not need as yet to cut down our national consumption, but rather to increase it. We have been suffering from under-stimulation, and that is still our problem. Our need is for initiative, enterprise, hard work, increased production. We face a problem in addition rather than subtraction.

Two qualifications, however, must be made. The first is that, while as a whole we have excess production potentialities, there are many areas in which the defense program will require diversion of skilled men and machines. Where defense and peacetime programs clash defense must come first. Our guiding principle cannot be "business as usual." We face a situation as critical as though we were actually at war, for our avoidance of war and our future position and influence in the world probably depend on prompt arming. Our defense program is laggard, held back by red tape, technicalities, a failure to put first things first. Nothing must now stand in its way. Concentration on this program means readjustments by business, labor, and government, some of them painful and laborious. It remains to be seen whether we can make these read-

justments rapidly enough to meet the emergency, and do it without so damaging our economic machinery as to impair productive power in other directions.

The second qualification to stimulation as an objective is that we launch our defense program under conditions which could become inflationary. Our present bank credit and national debt, and our surplus of bank funds are at ludicrously swollen figures. Our defense spending is piled on top of a huge annual budgetary deficit. We have been on a wild governmental spending spree and our habits and powers of control are impaired. As a people we have not suffered the usual consequences of these abortions and have come to believe we never will, a highly dangerous frame of mind.

Thus our present problem is not simple but complex. We need first and foremost stimulation—increased output. But we need second to begin to get under control some of our loose fiscal and monetary policies and powers.

Two Alternative Courses

One way of picturing to ourselves this confusing situation in which we find ourselves is to attempt to visualize two alternative courses which now appear to be open to this country.

The first is to continue the way we have been going, that is, to continue in the depression which has now lasted for nearly ten years, with continued large unemployment as a moral and social as well as economic drag on the whole country. In this situation and without substantial recovery the defense program would become an almost unbearable burden. If that program can be carried through only by a decrease of other production and other consumption it means a further decrease in the standard of living, a decrease which might be socially dangerous at a time of large unemployment and substandard consumption in many population groups. This is not the moral atmosphere for an energetic defense effort. This course would leave us at the conclusion of war with a greatly weakened economy.

A gloomy outlook indeed, but not an impossible one. If we continue to follow public policies which discourage business enterprise, and if in a zeal to avoid inflation and eliminate profits we place premature checks on production and consumption we may find ourselves, after some temporary lift, in continued depression.

The second alternative is that, under the stimulus of the defense program, we might again put the whole nation to work; so that the defense program is added to and not subtracted from our present output. If we thus lift the total national income there will be large increases in government tax receipts, and decreases in unemployment which should make possible large reductions in relief expenditures and thus bring the budget nearer to balance and lessen technical causes for inflation. But, more important still, a nation at work without the drag of unemployment is a more effective nation both for defense and for progress.

The pursuit of this second course might indeed lead us to the point where over expansion and inflation, resulting from the more active use of money already created, might become a real danger and not just a bugaboo. We should have to be alert to see its approach and try to avoid it, but only when it really threatened. The machinery should be prepared in advance.

Our Only Sane Choice

Clearly the second course is the only sane choice. If we prefer it we must seek it consciously and intelligently. That means two sorts of action: 1, the encouragement of enterprise and production and 2, preliminary steps in getting under control the potential factors of inflation.

What are the essential steps of public

policy which must be taken to make progress in these directions? As to the encouragement of enterprise the story is long and familiar, but it certainly includes the need of a vigorous and active security market, less hampered by stringent controls and technical rulings and laws. We need a revision of the labor relations act to give the employer as well as the employee a square deal. At a time when the all-important task is to increase efficiency and production, we would do well to consider the effects of mandatory provisions of the wage-hour law with respect to reduction of working hours and payment of overtime, which tend to raise costs and prices both to the government and to the general public. We need railroad legislation to help clear up the debris of insolvencies. We need revision of the utility holding company act to open the way for the utilities to finance, through the open market, additions and improvements. We need an intelligent and sympathetic administration of these and other laws. We need a careful revision of tax laws to encourage and not discourage enterprise.

But on the other side of the picture we must begin to put our house in order against the time when expansion may be followed by over-expansion and inflation. Here again all that can be done within the compass of this discussion is to suggest somewhat dogmatically several avenues in which action is desirable. We surely must get the government budget under better control, and should make a beginning at cutting expenditures outside the defense program. With any recovery in business activity that should not be too difficult. Likewise this is no time to be launching forth on costly long-term State, county, and city undertakings which will place added burdens on the taxpayer and compete with the Federal Government in the markets for labor and supplies. The mechanisms of monetary control, greatly distorted by the depression legislation need overhauling. In particular it is unnecessarily dangerous and disturbing to confidence to continue on the statute books power for the President to issue \$3,000,000,000 greenbacks solely at his own discretion. In similar position are the power and instruction to buy huge additional amounts of silver and the power to devalue the dollar still further. The repeal of these powers will concentrate monetary controls more fully in the Federal Reserve System, where they belong. The Federal Reserve legislation itself needs review as to the System's real independence of politics and the adequacy of its power of control.

Price Movements Need Watching

We need to begin to watch more carefully the movement of prices. Theoretically an argument may be made for a somewhat higher price level. Practically an upward movement is so difficult to control once it gets under way, and dislocations of the whole cost structure are so disturbing, that we should probably do better to rely on volume for recovery rather than higher prices. But nowhere is it more important to keep our processes within the democratic framework, for price fixing is a highly dangerous process. We should certainly review those acts of Congress which have created in several spheres the machinery of monopoly to raise prices deliberately. The best way to avoid price inflation is to produce abundantly.

The mechanism of financing the defense program needs study. If inflation really threatens we need to collect more taxes, sell bonds to savers rather than to banks. We ought now to finance defense industries as far as possible privately rather than with government funds.

But here, in the case of taxes especially, we run into trouble. For our two objec-

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On the World Economic Front: Foreign Conditions After One Year of War

By WINTHROP W. CASE

THE end of the first year of the war finds the military situation in Europe overshadowing all else throughout most of the world. In Britain, Germany and Italy economic considerations are submerged beneath the demands of military necessity. Other countries in general either are dominated increasingly by the acceleration of military programs or else live only from day to day pending clearer indications of the outcome of the struggle and of their own political and economic place in the world that will follow.

In Great Britain the nation's economic organization seems to be gradually tightening, the earlier fruits of which are being realized in Britain's evident increased powers of resistance to German air attack, and reflected in the steady recovery of stock prices from the black days of late June (see chart). If lost time is belatedly being made up in the strengthening of British defenses, the problem of warding off a serious degree of inflation, however, appears not yet to have been effectively grappled with. Commodity prices in August were 42.8 per cent above a year previous.

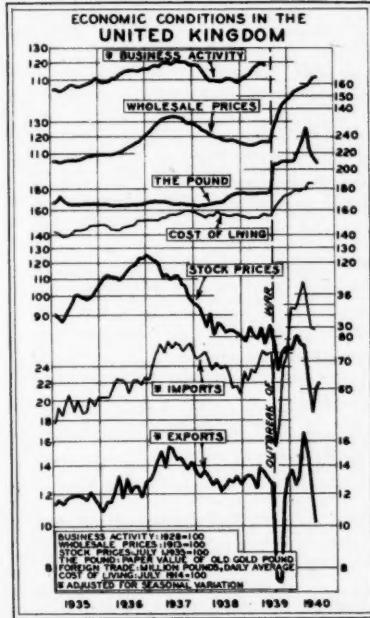
of in the neighborhood of \$5,000,000,000, and the process appears to have continued unchecked since March.

Anything in the nature of runaway inflation is presumably not in prospect. A continuation of the present "vicious spiral" of wages, prices and costs chasing each other upward must result, if continued, however, in serious dislocations among the various British income groups, as well as a material increase in the war costs to the government.

Despite efforts to curtail unessential imports, purchases abroad continue heavy as war imports have increased, the total imports currently running at the highest levels since 1929. British exports, on the other hand, have suffered not only from the increased concentration of British industry on war needs, but also from the cutting off of the continental market to the extent of almost 25 per cent of all accustomed exports. The import balance of trade is accordingly running at the highest levels since World War days, the deficit being met for the most part, of course, by realization on capital assets abroad, particularly in the United States.

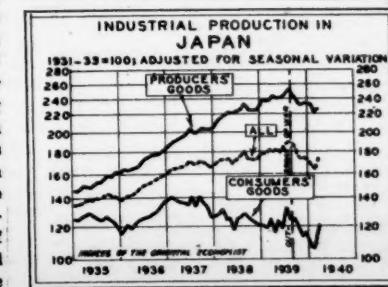
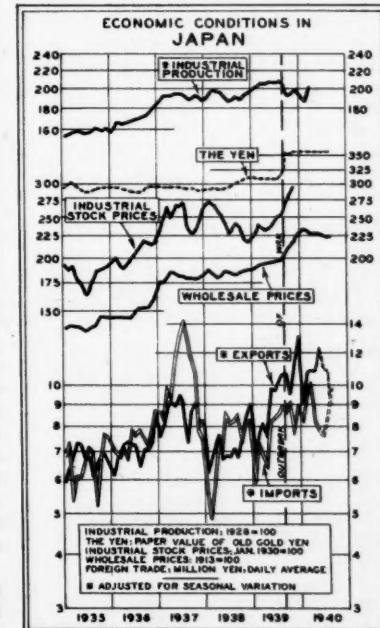
Japanese Situation Unchanged

The trend of political events in Japan remains somewhat obscure. The new Konoye government obviously represents a pronounced move away from parliamentarianism, and will doubtless make somewhat more effective the economic mobilization of the nation for its programs of foreign expansion. It will, however, be subject to the same limitations as past governments—Japan's own poverty of resources, her dependence on the United States for essential raw materials, the dif-



The depreciation of the pound in the "free" market, it is true, has been reversed since May (shown inversely on the chart, in terms of the number of paper pounds the old gold pound sterling would buy), but this has little significance as to internal conditions, in view of the restricted uses still open to such "free" exchange and of the rigid control currently being exercised over all forms of foreign exchange.

At present, according to The London Times, government contracts are based directly on cost, wages are not controlled, while owing to the 100 per cent excess profits tax there is no incentive to the manufacturer for economy. The net result has been a steady rise in wages, under the stimulus of higher prices, wages being estimated at £7,000,000 a week more in March, 1940, than a year earlier. This is equivalent to £364,000,000 a year, or in terms of American currency, a rise in the national wage bill of practically \$1,500,000,000 a year. Translated into terms of the larger American economy, this would be equivalent in the United States to a rise



ficulty of extricating herself from the morass of China, etc.

Meanwhile, although the advance in Japanese wholesale prices appears to have been checked since the beginning of 1940, and even to have been moderately reversed, the betterment apparently has been confined largely to the industrial field, and has not affected to any extent the consumer. The cost of living has continued to rise, the increase from June, 1939, to June, 1940, amounting to around 20 per cent.

The balance of trade for the first half of 1940 was "favorable" by 162 millions of yen, against only 25 millions a year before, and against deficits for the first halves of 1938 and 1937 of 196 millions and 642 millions, respectively. The improvement, however, has been confined to the yen bloc, as a result of which the supplies of foreign exchange were not increased: the January-June import balance with non-yen bloc countries rose to 503 million yen for 1940, from 427 and 416 for 1939 and 1938, respectively. There is thus little evidence of any improvement in the foreign-exchange situation.

No Japanese industrial production index is available for later than March. That month shows a pronounced recovery from the depressed levels of January and February, when the power shortage compelled an extensive curtailment of industrial activity.

One Year of War in Europe

With the passing of the first anniversary of the breaking out of the present war the occasion is perhaps suitable for a reviewing of the existing situation in terms somewhat larger than those purely military. The present writer has read nothing more pertinent than the comments of Mrs. Vera Micheles Dean of the Foreign Policy Association, who recently wrote, in part, as follows:

At the close of Europe's first year of war, the outcome of that conflict, which has cast a shadow over other continents, remains in balance. When France and Britain, on Sept. 3, 1939, declared themselves in a state of war with Germany, their action was motivated as much by profound psychological fatigue with the recurring crises to which Europe had been

subjected since 1933, as by the resolve to check further German expansion.

The passive attitude first adopted by the Allies toward their war with Germany corresponded to their passive attitude during the preceding twenty years of "peace." During that period, when a forward-looking program of reforms might well have captured the imagination of European youth, and harnessed their energies to constructive instead of destructive tasks, the main program offered by France and Britain was maintenance of the *status quo*, which was opposed by Germany and Italy, and accepted, rather than enthusiastically supported, by other countries on the Continent.

The high hopes which had buoyed up the Allied peoples in 1919—that the League of Nations would gradually alleviate the political and economic problems of Europe and the world—had remained unfulfilled. The failure of the Allies to press for reconstruction of Europe, once victory was in their hands, created the belief in dissatisfied countries that Britain, France, and France's satellites in Eastern Europe were opposing changes not because of high moral considerations, but because such changes might prove to their disadvantage. Receiving no leadership from the Western Powers, divided among themselves by jealousies and intrigues, Europe for at least a decade lived in a state of suspended animation, from which it was aroused only by the resurgence of a militant Germany. . . . But even when Britain and France took up arms against Germany, the only alternative they offered Europe was the hope of inflicting another defeat on the Reich, and restoration of the *status quo*.

Meanwhile, profound changes are taking place in Europe which may completely alter the fabric of European life, no matter what the outcome of the present conflict. Disillusionment with the institutions and practices of democracy has swept the entire Continent, including France, where there is a tendency to reconsider France's policy since the rise of the German Empire in 1870, and to undertake a reorientation which would detach France both from Britain and Russia and bring it into collaboration with the new order contemplated by Germany.

At the same time, few illusions remain in conquered countries, even among Nazi sympathizers, that this new order will necessarily prove more desirable, more humane or more constructive than the "dictate" of Versailles. If the settlement imposed by Russia on the Baltic countries, or by Germany and Italy on Rumania, is to be taken as a foretaste of Europe's future, then it would be difficult for those who have denounced the "imperialism" of

Continued on Page 400

World Commerce and Industry

United Kingdom: Period	Aug.	July	June	May	Apr.	Mar.	Feb.	Jan.	1940.	1940.	1940.
Stock prices, m. e. July 1, '35	*62.8	*60.2	*53.3	62.6	75.6	77.6	90.6	74.8	77.5	77.5	77.5
Wholesale prices.....	1913	166.6	166.1	159.8	159.0	157.1	153.1	152.8	143.3	111.3	111.6
Cost of living, m. e. July, '14	185	187	181	180	179	178	177	177	177	155	155
Exports.....	31.2	30.2	46.5	48.3	41.5	37.4	41.1	40.4	40.4	40.4	40.4
Imports.....	35.2	38.8	102.3	106.6	104.9	93.2	101.3	74.4	74.4	74.4	74.4
Balance of trade.....	-54.0	-52.6	-56.8	-57.3	-63.4	-55.8	-60.2	-54.0	-54.0	-34.0	-34.0
The pound (free mkt.) % par	*48.4	46.2	143.7	39.8	42.8	45.6	48.1	48.1	48.1	56.0	56.0

France: The franc (free mkt.) % par..... 129.7 28.0 30.1 32.1 33.8 33.8 33.8 33.8 33.8 39.9

Germany: Stock prices..... 122.0 119.1 116.2 112.4 110.1 110.1 102.6

Wholesale prices..... 110.4 109.9 108.6 109.4 108.4 108.2 106.8

Japan: Industrial prod., adj. 1928 223.7 223.6 227.9 229.5 201.6 186.2 189.8 206.2

Wholesale prices..... 1913 223.7 223.6 225.4 229.5 228.1 231.5 233.9

Exports..... Yen 323.1 339.7 293.8 215.1 221.9

Imports..... Yen 346.6 306.8 251.1 219.5

Balance of trade..... Yen +48.1 -12.8 -36.0 +24.0

The yen. % par 27.8 27.8 27.8 27.8 27.8 27.8 31.8

Canada: Industrial prod., adj. 1928 128.3 125.3 124.7 135.7 107.8 115.6 123.3 105.2

Stock prices..... 1926 75.8 172.5 71.9 80.4 97.0 99.1 99.0 94.2

Wholesale prices..... 1913 *128.7 127.5 128.2 129.8 130.0 129.3 129.0 113.1

Exports, excl. gold Can. \$ 108.8 109.9 99.6 84.9 76.7 69.8 70.4 57.1

Imports, excl. gold Can. \$ 120.0 +20.9 +10.3 -6.7 +1.3 +1.7 +1.7 +1.7

Balance of trade..... Can. \$ 15.9 15.1 16.9 18.0 16.2 12.4 21.6 15.2

The Canadian dollar. % par 51.4 151.3 147.3 47.8 49.8 48.5 51.2 58.8

United States: Industrial prod., adj. 1928 *123.4 121.4 121.4 111.4 112.4 112.4 110.4 110.4

Stock prices..... 129.0 122.4 137.2 163.4 160.5 160.2 161.6 149.6

Wholesale prices..... 1913 111.0 111.4 112.4 112.7 112.4 112.8 113.8 113.8

Exports..... 312.3 344.4 318.1 316.5 343.6 338.9 360.0 226.7

Imports..... 217.8 205.4 203.7 203.0 206.5 189.8 234.6 170.4

Balance of trade..... +94.5 +13.9 +114.4 +113.5 +136.9 +149.1 +125.4 +56.3

Industrial Prod., Adj. 1928 *124.5 *128.5 139.3 146.0 150.0 154.0 156.7

Sweden 150.1 150.1 165.6 176.8 178.2 179.6 179.6 179.6

Adj. adjusted for seasonal variation. M. e. month end. *Preliminary. !Revised. !Month in previous year corresponding to most recent month shown; revised data. !June 1-15 only. !Revised series; revised Federal Reserve Board index (1935-39=100), converted to 1928 base by THE ANNALIST.

NOTE: Back figures of above series, except exports, imports and balances of trade, may be obtained on request from THE ANNALIST.

National Government: Final Defense Measures Being Completed by Congress

Federal Appropriations

(Millions of dollars)

	Bill No.	Fiscal 1940 and Def. 1939	Fiscal 1941 and Def. for 1940	Latest	Pub. Law No.
Independent Offices	HR 7922	1,194.7	1,120.2	459	Apr. 18
Treasury, Postoffice	HR 8068	1,043.6	1,032.8	442	Mar. 25
Agriculture	HR 8202	780.9	918.6	668	June 25
State, Commerce, Justice	HR 8319	106.7	107.1	508	May 14
War Department (Civil Functions)	HR 8668	220.1	222.7	663	June 24
Interior	HR 8745	122.1	135.4	640	June 18
Legislative	HR 8913	25.8	23.7	641	June 18
Labor, Federal Security	HR 9007	966.0	1,023.3	665	June 26
District of Columbia	HR 9109	49.6	48.8	602	June 12
Total, Civil Functions		5,263.8	4,512.5	4,632.6	
Navy	HR 8438	773.0	1,073.5	1,308.2	588 June 11
Military Establishment	HR 9209	508.8	853.4	1,499.3	611 June 13
First Supplemental Nat. Defense	HR 10055	223.4	1,062.2	1,479.8	667 June 26
Second Supplemental Nat. Defense	HR 10263		2,237.2	2,497.1	781 Sept. 6
Third Supplemental Nat. Defense	HR 00000			1,733.9	
National Defense Housing	HJR 607			388.3	
Total, National Defense		1,505.2	5,231.3	8,856.6	
Relief	HJR 544	1,755.6	*1,126.1	*1,157.7	188 June 26
Subtotal, above items		8,524.6	10,869.9	14,646.9	
Relief Deficiency	HR 7805	825.0	272.0	252.3	415 Feb. 12
Emergency Supplemental	HR 8067	369.7	60.3	57.5	416 Feb. 12
Urgent Deficiency	HR 8641		94.1	92.0	447 Apr. 6
First Deficiency	HR 10104		61.1	85.9	668 June 27
Second Deficiency	HR 10104				
First Supplemental Civil Functions	HR 00000				
Marine Insurance	HR 582				
TVA, National Defense	HJR 583				
Subtotal		9,719.3	11,432.4	15,119.6	
Miscellaneous		5.0			
Permanent Annual Appropriations		3,624.7			
Total		13,349.0			

*Seven-month appropriation discretionary. ¹Public resolution. ²Not including Army and Navy contract authorizations totaling \$4,114,482,597 in third session.

By KENDALL K. HOYT

WASHINGTON.

ESPITE delays caused by Speaker Bankhead's death, Congress has cleared its dockets of all but a few final defense measures. Passage of the profits tax bill, with some easing of the burden on industry and with the defeat of the Brown amendment for reciprocal taxing of State and Federal securities, paves the way toward plant construction through the amortization features. Although the Senate adopted without a record vote the Connally amendment to tax profits out of war, this cumbersome set of super-tax schedules is likely to go out in conference.

This leaves the bill to permit assignment of claims under public contracts, to encourage private financing of defense production, and the bill to prevent industrial sabotage. Rules for House action have been reported on both. The House-approved defense housing bill is ready for final Senate action.

Meanwhile, the House Appropriations Committee has been winding up its work on the last two supplemental bills. The committee insisted on confining the Third Supplemental National Defense Appropriation strictly to military and naval items. Civil items relating to defense, including an \$80 million airport item, were thrown into the First Supplemental Civil Functions Bill. Items not ready for House action can be inserted without difficulty in the Senate.

Also under way is a revision of the law easing civil liabilities of men called into the armed forces. A wide range of lesser measures stand some chance of action before adjournment. Prospects for a special session are still uncertain. But, after all the broad powers already granted, with funds to carry them out, it seems possible that another call will not be necessary until the new Congress convenes in January.

Appropriations, as noted in the table, are now over the \$23 billion mark, allowing for contract authorizations, reappropriations, and a possible relief deficiency next year. This does not include the RFC, Commodity Credit, Export-Import, and other lending authorizations which add

billions more to the real total of funds available for expenditure.

* * *

A WAR BOOM now seems inevitable. It is possible now to look ahead on a less uncertain basis of appraisal than heretofore. The likelihood that Britain can hold out through the Winter with bettering chances for winning in the end is read in Hitler's failure to attack and in General Strong's encouraging report from an eye-witness observation. Thus British purchases will continue to expand.

It also appears that Willkie's chances for winning the election are increasingly slim. If these two factors of change can be written off, general conditions may remain for months about as they are except as affected by the rapidly accelerating defense program.

On March 7 we expressed at some length our views on the possibility of a boom. This story has stood up in the light of events since. The upturn has been slow to materialize owing to the shutting off of trade with occupied countries and owing to grave uncertainties as to the outcome of the war.

Now we have not only the growth of war industries but the draft as a bullish factor. Employment gains are such that Major La Guardia last week forecast the abandonment of WPA at the end of the fiscal year. The second jump in the Wage-Hour Law brackets, to require overtime payments beyond 40 hours per week, is another of the many elements in the spreading of money into consumer-purchasing channels. Industry will not mind because it can pass on the cost.

On the bearish side is the profits tax. But booms override such barriers. The Administration has announced its intention to prevent profiteering and keep consumer prices down. But this is not completely possible in the absence of full authority to control. Mild price rises, at least, are in the offing and should be a stimulus to buying. As long as prices are kept in reasonable range, large-scale consumer purchases are possible.

So, unlike the situation in the last war, we may have our war industries boom paralleled by a rising volume of new home

construction, automobile, clothing and furniture purchases, and the like. This would lead to an inflation of actual production rather than merely of the commodities and securities markets.

Roosevelt's re-election certainly is not a bearish factor. The argument that heavy government spending will continue under Roosevelt, if followed to its conclusion, is a point for investing private funds now rather than wait for taxes and inflation to eat them up. Certainly the Administration in recent months has stepped over backwards to cooperate with industry and to encourage private financing, as told in Theodore Goldsmith's story in this issue.

In the absence of new factors business can scarcely fail to boom unless all the old economic laws have ceased to function.

* * *

DEFENSE CONTRACTS are moving with great rapidity. Although there is, and quite properly, a good deal of secrecy as to details, the Administration has been releasing enough information to dispel earlier charges that the program has failed to go forward on schedule.

Army plane contracts, for example, already cover 9,174 of the 18,641 planes for which funds are provided, including practically all the 4,247 planes covered in bills prior to the recently approved Second Supplemental Appropriation. And further contracts are being let, day by day.

The aircraft industry has spent some \$52 million for plant expansion from September through July and is by way of spending \$100 million more. Employment, now about 125,000, has doubled in a year.

* * *

THE GALLUP POLL confirms our statement of two weeks ago as to the Willkie trend. Although it is being said that statements as to the wilting of his campaign are inspired by New Deal propaganda, the fact is that Republicans and columnists who were formerly on the Willkie bandwagon are loudest in denouncing the ineptitude of the campaign. The New Dealers have not used much ammunition. They have held back on the "power trust" issue, for example. As things are going, they may not have to go into this at all. Scarcely a political writer in Washington believes that Willkie can win.

National Legislation

Week Ended September 21

LAST WEEK the Senate met Monday, Wednesday, Thursday and Friday, Sept. 16, 18, 19 and 20, and recessed to Monday, Sept. 23. The House met Monday and Thursday and adjourned to Monday.

* * *

SENATE CONFIRMATIONS—Marion Speed Boyd, U. S. district judge, Western District, Tenn.; James F. T. O'Connor, U. S. district judge, Southern District Calif.

* * *

EXECUTIVE COMMUNICATIONS—H. Doc. 951, Sept. 14—Message from President requesting legislation to protect insurance and benefit rights of conscripts.

H. Doc. 952, Sept. 14—Message from President transmitting supplemental natl defense estimates of \$1,733,596,976 plus \$207,000,000 contract authorizations.

* * *

LAWS—Public Law No. 782 (S4272) Sept 11—Increase Naval Reserve Officers Training Corps to 2,700.

783 (S4164) Sept. 16—Selective compulsory military service.

784 (S4008) Sept. 16—Auth RFC loans to develop strategic minerals.

785 (S2009) Sept. 18—Omnibus Transport Act 1940; broaden ICC regulation rail, motor and water carriers.

786 (S4165) Sept. 18—Construction of graving drydock at New York.

* * *

PASSED BOTH HOUSES—S3550—Forbid interst transp convict-made goods. Thru conference Sept 20.

HR4088—Amend Commodity Exchange Act to include fats, oils, cottonseed, cottonseed meal and peanuts. To conf Sept 19.

HR10361—Increase capital Export-Import Bank to \$700,000,000. Thru conf Sept 20.

HR10413—Second Revenue Act of 1940. Passed S Sept 19.

* * *

PASSED ONE HOUSE—S3426—Amend Mktg Agreement Act as to milk. Passed S Sept 19.

HR10295—Amend act of Jun 23, 1938. To S Naval Aff Sept 18.

HRJ807—Approp \$338,000,000 to build housing facilities for conscription. Passed S Sept 20.

* * *

REPORTED—S4167 (Wheeler) SRpt2141, Sept 19—Amend acts as to water conservatn.

S4175 (Sheppard) SRpt2138, Sept 18—Permit Ss to organize military units not a part of natl guard. Recommitted Military Aff Sept 19.

S4299 (Overton) SRpt2143, Sept 19—Auth Maritim Comms furnish vessels to Ss nautical schools.

SRes314 (Tydings) to Audit & Control, Sept 20—Spec committee study means of automatically balanced budget.

SRpt2140—Rept of Special Committee on Taxation of govt securities with minority rep by Burke. Sept 18.

HR10224 (Vinson, Ga) HRpt2950, Sept 19—Establish minimum permanent authorized enlisted strength marine corps.

HR10495 (Andrews) HRpt2963, Sept 19—Permit Ss to organize military units not a part of natl guard.

HR10501 (Bland) HRpt2951, Sept 19—Amend Sec 509 Mercht Marine Act 1936.

* * *

NEW SENATE BILLS—S4352 (Taft) P O & Post Rds—Free transmission absentee ballots persons in military service.

S4353 (George) Finance—Control of payts to veterans and dependents residing abroad.

S4354 (Walsh) Naval Aff—Auth naval agents assist civil authorities in law enforcement.

S4355 (Gillette) Agri & Forestry—Amend Agri Mktg Agreement Act.

S4361 (Sheppard) Military Aff—Pay of Reserve Officers employed by govt when on active duty.

S4359 (Barkley) Agri & Forestry—Change base period burley and flue-cured tobacco.

S4361 (Walsh) Naval Aff—Establish minimum permanent enlisted strength marine corps.

S4363 (Sheppard) Military Aff—Create grade of aviation cadet in Army Air Corps.

S4370 (Sheppard) Military Aff—Auth President appoint Under-Secretary of War.

SJR300 (Pepper) Commerce—Uniform directional markers for safe air travel.

SRes316 (Thomas, Okla) on table—Develop program for constructs of public underground bombproof shelters.

SRes317 (Lodge) For Relatns—Ask President for info on transfer of military equipment to Grt Britain.

* * *

NEW HOUSE BILLS—HR10517 (Brown, Ohio) P & Post Rds—Free transmission absentee ballots members of armed forces.

HR10520 (Izac) Immigratn & Naturalizatn—Cancel citizenship certain naturalized citizens.

HR10523 (Secrest) Roads—Apportion funds from Fed tax on gas and oil to Ss for roads.

HR10524 (Voorhis, Calif) Educatn—Mutual interchange of students between American Republics.

HR10526 (May) Military Aff—Create grade of aviation cadet in Army Air Corps.

HR10529 (Summers, Texas) Judic—Amend Natl Stolen Property Act.

HJR608 (Marcantonio) Military Aff—Repeal conscription law.

HRes608 (Voorhis, Calif) Rules—Assure judicious expenditure defense funds.

World Economic Front

Continued from Page 399

"demo-plutocracies" to assert that the new order proposed by totalitarian dictatorships offers something new in terms of relations between nations.

This violent disillusionment with both old and new, this widespread discrediting of all existing values, may produce either a state of anarchy or a state of apathy. In either case, as happened in pre-Hitler Germany, the way would be opened to the assumption of power by men who, whatever their defects, claim they have concrete ideas and, especially, concrete hopes to offer to the European masses.

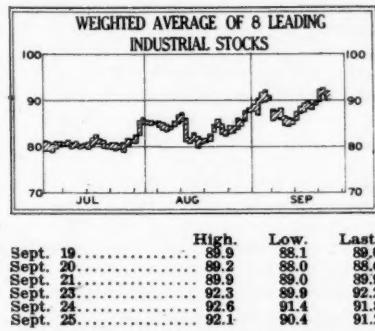
In the supreme test which all systems and ideologies—nazism and communism, no less than democracy—are undergoing today in Europe, the Western peoples still have as good an opportunity as Germany or Italy or the Soviet Union to provide a rallying point for human endeavor. But the rallying cry cannot be mere restoration of the *status quo*. It must reveal comprehension, on the part of the Western peoples, that the present conflict was precipitated not merely by the intransigence or greed of Germany—that it has deeper causes for which the West, too, is responsible and which the West, too, must undertake to correct.

SEP 26

Financial Markets: Behavior of Stocks Indicates Strong Technical Position

AFURTHER advance in stock prices has taken place which has pushed averages and a good number of individual stocks above their early September high points. Bond prices have also advanced. The outlook appears generally favorable except for the very important danger of the European situation.

Prices advanced moderately last Thursday morning. A reaction Thursday afternoon and Friday morning was followed by a renewal of the advance in a more vigorous manner. Prices continued to rise until Tuesday afternoon, when a moderate reaction developed. On Wednesday there was a further slight reaction, followed by a moderate recovery. Volume of trading increased on the market's advance, but declined during the Tuesday-Wednesday reaction.



The best gains have been made in Chrysler, Westinghouse, du Pont, Montgomery Ward, the railway equipment stocks, Eastman Kodak, the farm equipments, Sears Roebuck and the coppers. The steels and a number of the railroad stocks improved moderately. The food stocks and public utilities changed little in price. U. S. Rubber declined slightly as a result of increased Japanese activity in the East.

The advance in bond prices that has occurred during the week has carried utility bonds up to nearly the May high levels. High-grade railroad bonds have been pushed up to the best levels of the year. Second-grade rails have also advanced.

Business news has continued generally favorable. Orders for armament continue to be placed. It is reported that orders last Friday alone amounted to \$500 million, and it has been estimated that total contracts have reached a total of about \$6 billion.

Earnings reports and dividend announcements continue to have a generally favorable effect upon stock prices. During the week a dividend of \$1.50 per share on Deere & Co. common stock was announced, compared with last year's dividend of half this figure. In this connection, preferred stocks with accumulated dividends have received considerable attention recently.

The technical action of the stock mar-

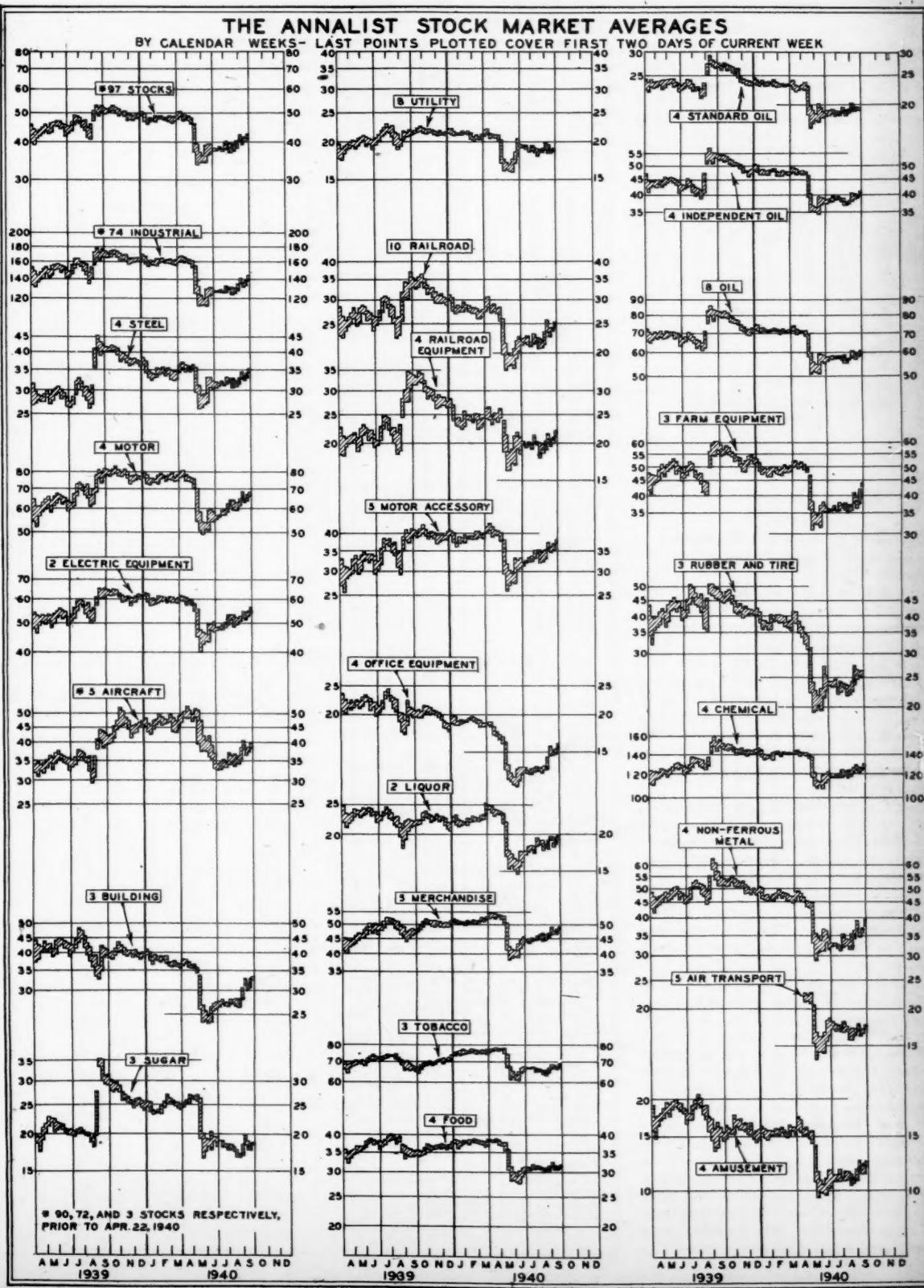
ket has been generally favorable over the past three months. The natural rebound from the May decline which occurred in the second week in June was of only moderate proportions, but the market held this rally very well and some stocks indeed managed to make further gains during the next month. The market as a whole remained stable until the latter part of July in the face of threats of German invasion of England. Volume of trading was light on this reaction, however, and the way in which the market has advanced subsequently indicates a considerable degree of strength. Throughout the past three months volume of trading has been fairly light but has

gust but prices quickly regained the ground lost and soon afterward broke through the upper range of the trading level in which the market had been fluctuating since the middle of June. The upward movement was broken again during the second week in September by a reaction, evidently resulting from more extensive German air attacks on England. Volume of trading was light on this reaction, however, and the way in which the market has advanced subsequently indicates a considerable degree of strength. Throughout the past three months volume of trading has been fairly light but has

tended to be rather heavier on advances.

These characteristics of the market's behavior during the Summer months indicate that the technical position is strong. Unfavorable news and market declines bring out little volume and when opportunity offers prices move upward. As yet, however, no aggressive speculation for the advance has developed and buying has generally been of a cautious character. Certainly nothing suggesting the passing of stocks from strong hands to weak has made its appearance. On the basis of purely technical considerations, it would appear that the line of least resistance is upward, although it is true that technical conditions could reverse themselves abruptly on unfavorable news from Europe.

L. G.



The Week in Commodities: Grains and Cotton Items Rise, Lifting Index; Metals Active

ADVANCES in grains and certain textile items helped offset declines in the food products division, with the result that the *Annalist* Weekly Index of Wholesale Commodity Prices firmed slightly to 80.1 for Sept. 21, as against 80.0 for the date a week preceding. As of Sept. 23, 1939, the index stood at 82.2.

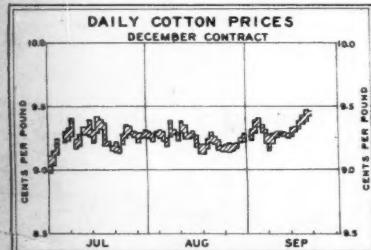
Corrected for seasonal variation, the index for Sept. 21 of this year was 78.7, as compared with 78.1 a week earlier and 80.7 a year ago.

Principally because of the grain advance, the farm products section of the index rose to 75.0 from a preceding figure of 74.3. Food products, depressed mainly by sagging meat items, declined from 71.6 to 71.1. The index to the metals group was unchanged at 97.3 per cent of their 1926 average.

On Tuesday, however, subsequent to the end of the week spanned by *THE ANNALIST* Index, a burst of activity appeared among the nonferrous metals, zinc rising 40 points to 7.25 cents a pound. By many observers the effects of the defense program were expected to show up without much delay in the price of other items in the metals group.

DAILY COMMODITY PRICES

	Futures Spot					
	Cotton	Wheat	Corn	Hogs	Index	Index
Sept. 16	9.41	.95	.82	6.13	51.19	156.1
Sept. 17	9.42	.95	.82	6.17	51.37	156.6
Sept. 18	9.42	.96	.81	6.26	51.50	157.1
Sept. 19	9.44	.96	.81	6.24	51.60	157.3
Sept. 20	9.45	.97	.80	6.22	51.81	157.5
Sept. 21	9.43	.96	.81	6.15	51.74	157.6
Sept. 23	9.46	1.00	.81	6.15	52.58	158.0



COTTON

Mounting evidence that the cotton textile industry is gathering speed for the greatest boom in its history stimulated cotton futures last week. On increased volume prices rose 15 to 25 points. Late months were in particular demand and showed the widest advances. Both speculators and mills were on the buying side. Contributing to last week's relatively large gains was the lightness of hedge sales. While picking and ginning are progressing well hedging continues small. This has led many observers to believe that a great part of current ginnings are going into the loan.

Since much fiber is apparently going into the loan, cotton mills began buying late deliveries because they realize growers will not withdraw new crop cotton unless they get a substantial profit. The dwindling supply of "free" cotton despite the super-abundant supplies glutting warehouses along the entire Atlantic seaboard, is the principal bull point of many traders.

The Bureau of Census reported that 655,000 bales of cotton were used in August, the largest for that month on record and a slight gain as contrasted with 631,000 bales a year ago. For the twelve months ended Aug. 31, consumption totaled 7,746,000 bales, only a fraction below the largest ever achieved and comparing most favorably with 6,858,000 bales used in the comparable period of last year. The exceedingly good August report assures that 1940 will be a record-breaking cotton year. Total domestic consumption should be at, or over, the 8,000,000-bale level, as contrasted with 7,600,000 bales last year and only 6,800,000 in 1929.

Because of the sharp drop in exports and the unexpectedly large new crop the statistical position of cotton will not improve this year. Already holding the world's largest supply of cotton, America's carry-over will be even higher by the end of the current season.

Reassured by unusually large department store sales, gray goods sales perked up again last week. Total sales are estimated at 50,000,000 yards or better, thus boosting unfilled orders to about 200,000,000 yards, nearly two months' production. A portion of last week's textile sales could be traced to government orders for heavy cotton goods. Cheering to the mills was the fact that goods prices advanced $\frac{1}{4}$ cent a yard, with some constructions reaching the best levels of the year to date.

One of the outstanding developments in the cotton textile situation has been the amazing come-back in department store sales. The Federal Reserve Board's index of nation-wide sales was only 87 in May. It rose to about 92 for June and July, soared to 100 in August. This is one of the swiftest rises in history. There is every indication, moreover, that the September figure will be still higher, thus placing department store sales at the best level since 1930. Sales in the week ended Sept. 14, incidentally, were 10 per cent above a year ago, as contrasted with 11

per cent in the preceding week; 11 per cent for the four weeks ended Sept. 14. The trend in department store sales proves that most of the nation is on a spending spree, probably because people anticipate a deluge of defense greenbacks. It's strange that this spending mood hasn't spread to the stock market.

MOVEMENT OF AMERICAN COTTON

(Thousands of running bales; as reported by the New York Cotton Exchange)

Wk. Ending Thursday—Yr's Sept. 19, Sept. 12, Sept. 21, Chg'd 1940. 1940. 1939. P. C.

Movement Into Sight:

During week..... 292 215 661 — 56

Since Aug. 1..... 1,182 892 2,405 — 51

Deliveries to Domestic Mills:

During week..... 155 114 223 — 30

Since Aug. 1..... 764 609 936 — 18

Exports:

During week..... 30 13 127 — 76

Since Aug. 1..... 108 80 563 — 81

Visible Supply (Thursday):

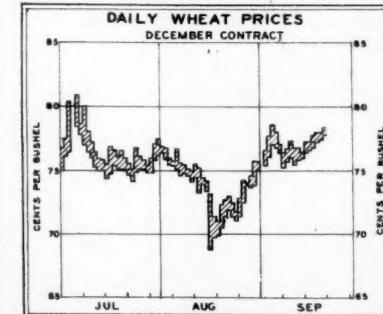
U. S. A. only..... 4,649 1,876 5,227 — 11

Proving the prosperity being enjoyed by department stores is the report of R. H. Macy & Co. (world's largest store) released last week. The store cleared \$3,920,000 (preliminary) in the fifty-two weeks ended Aug. 3, as compared with \$2,548,000 in the corresponding weeks of last year. At the same time Marshall Field (Chicago's No. 1 store) announced sales were running far above a year ago. In the six months ended June 30 the store reported net profits of \$1,575,000, as against \$1,035,000 a year ago.

The Department of Agriculture has announced that cotton growers will vote on a marketing program Dec. 7. To become effective, two-thirds of the growers must O. K. the scheme. The quota is the same as that established for the 1938, 1939 and 1940 crops. Because cotton growers lean on the government more now than ever before, they will probably approve the 1941 scheme by a landslide.

THE GRAINS

Mills, investors and timid shorts pushed wheat prices $\frac{1}{2}$ to 2 cents higher last week. Final quotations were the highest since the latter part of August. Trading was fairly brisk. Contributing to the rally was a growing realization that "free" wheat is rapidly becoming scarce. In some sections of the West and Southwest, mills are feeling the pinch and they were among the more aggressive buyers last week. Strange as it seems, there is likely to be an acute shortage of cash wheat this season despite the record-breaking supplies on this continent.

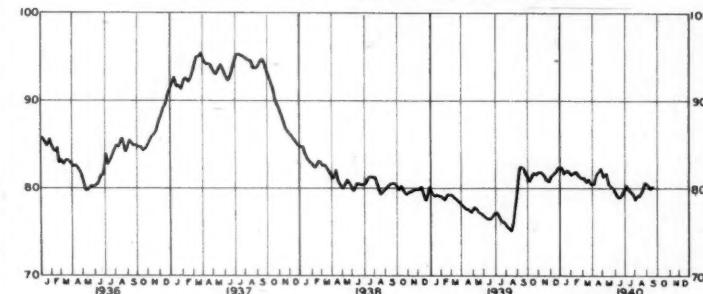


The reason, of course, is that so much wheat has gone into the government loan. Like cotton, wheat futures may soon rise to a much higher level as consumers seek to pull wheat from the loan. How much higher futures will have to go before loanstock wheat appears is a moot question. The answer depends entirely upon how much profit the growers want. If prices go up, it might only increase their greed.

HIDES

Spot prices remained unchanged but futures scored moderate gains in dull trading. Better news on the Battle of Britain, increasing industrial activity and higher stock prices were all given as the

THE ANNALIST WEEKLY INDEX OF WHOLESALE COMMODITY PRICES (1926=100)



	Farm Products	Food Products	Textile Products	Fuels	Metals	Building Materials	Chemicals	Miscellaneous	All Commodity modities
1939.									
Sept. 23.....	78.0	74.7	71.7	84.3	98.9	70.8	85.4	77.6	82.2
1940.									
June 1.....	74.5	69.0	66.2	86.0	97.4	72.9	86.7	81.0	79.8
June 8.....	73.6	68.2	65.6	86.0	97.5	71.8	86.7	80.2	79.2
June 15.....	73.2	67.7	65.8	86.1	97.8	71.8	86.7	80.6	79.0
June 22.....	73.1	67.4	65.6	86.0	97.3	71.8	86.7	82.9	78.1
June 29.....	73.8	68.2	66.2	86.0	97.3	71.8	86.7	81.7	79.5
July 6.....	77.5	69.5	65.8	86.0	97.4	71.6	86.7	80.7	82.2
July 13.....	75.0	68.4	65.8	86.0	97.1	71.6	86.7	80.8	79.8
July 20.....	74.5	67.7	65.7	86.1	97.1	71.6	86.7	81.9	79.6
July 27.....	73.2	67.5	65.7	86.1	97.1	71.6	86.7	81.7	79.2
Aug. 3.....	72.1	67.0	65.8	85.6	97.1	71.6	86.7	79.9	78.6
Aug. 10.....	72.6	69.0	65.7	84.7	96.6	71.3	86.7	77.6	79.0
Aug. 17.....	73.0	69.1	65.3	84.7	96.6	71.3	86.7	77.0	79.0
Aug. 24.....	73.8	70.1	65.2	84.7	96.8	71.3	86.7	77.2	79.5
Aug. 31.....	75.6	71.9	65.2	84.7	96.8	71.3	86.7	77.1	80.1
Sept. 7.....	75.0	71.7	66.5	84.4	97.3	71.3	86.7	77.1	80.3
Sept. 14.....	74.3	71.6	66.6	84.4	97.3	71.3	86.7	76.6	80.0
Sept. 21.....	75.0	71.1	67.2	84.6	97.3	71.3	86.7	77.0	80.1
Percentage changes for week from:									
Last week.....	+ 0.9	- 0.7	+ 0.9	+ 0.2	0.0	0.0	0.0	+ 0.5	+ 0.1
Last year.....	- 3.8	- 4.8	- 6.3	+ 0.4	- 1.6	+ 0.7	+ 1.5	- 0.8	- 2.6

†Revised.

SPOT PRICES OF IMPORTANT COMMODITIES

	(New York Prices Except as Noted)		
Sept. 21, 1940.	Sept. 14, 1940.	Sept. 23, 1939.	
Wheat, No. 2 red, c.i.f., domestic (bu.).....	\$0.96	\$0.94	\$1.05
Corn, No. 2 yellow (bu.).....	.81	.83	.72
Oats, No. 2 white (bu.).....	.43	.42	.48
Rye, No. 2 Western domestic c.i.f. (bu.).....	.66	.59	.74
Barley, malting (bu.).....	.68	.69	.70
Flour, Spring patents (bbls.).....	4.85	4.80	5.90
Cattle, good and choice heavy steers, average, Chicago (100 lb.).....	12.09	12.03	10.38
Hogs, good and choice, avg. Chic. (100 lb.).....	6.22	6.19	7.50
Beef, Western dressed steers, 700 lbs. and up, good and choice, average (100 lb.).....	19.00	20.00	16.50
Hams, smoked, 10-12 lbs. (lb.).....	.175	.175	.214
Pork, mess (100 lb.).....	16.75	16.75	20.75
Bacon, No. 1 dry cure, 6-8 lbs. (100 lb.).....	17.50	17.50	22.50
Lard, steam, Western (100 lb.).....	5.50	5.50	8.45
Sugar, raw, duty-paid (lb.).....	.0270	.0270	.0365
Coffee, Santos (lb.).....	.0420-.0435	.0420-.0435	.0575
Cocoa, Accra (lb.).....	.0670-.0750	.0660-.0670	.0660-.0700
Cotton, middling upland (lb.).....	.0445	.0459	.0612
Wool, tops (lb.).....	.0133	.0141	.0908
Silk, 78% seripane, Japan, 13-15 (lb.).....	2.54	2.55	3.13
Rayon, 150 denier, first quality (lb.).....	.53	.53	.51
Worsted yarn Bradford, 2-40s, halfblood weaving (lb.).....	1.55	1.55	1.56
Cotton yarn, carded 20-2 warp (lb.).....	.25	.24	.26
Printcloth, 38x4-inch, 64x60, 5.35 (yd.).....	.05%	.05%	.05%
Cotton sheeting, brown, 36x60, 4.00, unbranded double cuts (yd.).....	.054-.056	.056	.060-.062
Hides, light native cows, Chicago (lb.).....	.12	.12	.16
Leather, union backs (lb.).....	.30	.30	.38
Rubber, plant's ribbed smoked sheets (lb.).....	.1925	.1919	.2190
Petroleum, crude, at well, Oil, Paint and Drug Reporter avg. for 10 fields (bbls.).....	1.1570	1.1570	1.147
Gasoline, at refinery, Oil, Paint and Drug Reporter avg. for 10 fields (bbls.).....	.0517020	.0517020	.05262
Pig iron, Iron Age composite (gross ton).....	22.61	22.61	20.61
Finished steel, Iron Age composite (gross ton).....	2.261	2.261	2.236
Steel scrap, Iron Age composite (gross ton).....	2.013	2.013	21.67
Copper, electrolytic, delivered Conn. (lb.).....	.11%	.11%	.12-.12%
Copper, export, f. a. s. (lb.).....	.0990	.0990	
Lead (lb.).....	.0493	.0493	.0550
Tin, straits (lb.).....	.5005	.501	.68
Zinc, East St. Louis (lb.).....	.0685	.0685	.0625
Silver, Handy & Harman official (oz.).....	.34%	.34%	.39%
Cottonseed oil, crude, bleachable, s. e. immediate (lb.).....	.0488	.0488	.064
Paper, newsprint contract (ton).....	50.00	50.00	50.00
Paper, wrapping, No. 1 Kraft (lb.).....	.0550	.0550	.05

*Prices for previous Friday.

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reason for the rally in hide prices. Speculators were especially impressed by the steadiness in spot prices despite their recent 3-cent jump, one of the widest in history.

SUGAR

Ignoring reports that Great Britain and Japan were negotiating for at least 50,000 tons of sugar, "world" options held in a narrow range, ended with little change in prices. "U. S." contracts did no better. Trading interest was at low ebb. Refined prices dipped, with some manufacturers offering sugar at 4.20 cents a pound, as compared with the previous "recognized" price of 4.35 cents.

Preliminary figures show that August domestic sugar deliveries were 659,000 tons, somewhat better than generally expected but 68,000 tons below a year ago. If September deliveries hold at the same level they will be 500,000 tons below the abnormally high 1,200,000 tons delivered in September, 1939. Last year, however, the outbreak of war started American housewives rushing to hoard sugar. The movement grew so fast that President Roosevelt finally had to suspend all quotas to assure buyers there wasn't going to be a shortage. Americans consumed 6,706,000 tons of sugar last year, but the 1940 total will be smaller because of the decline in "home" buying.

SILK

An unusually sharp drop in Japanese silk consumption had no effect upon prices last week. Closing quotations were slightly higher although official Jap sources put August raw silk consumption at only 18,306 bales, a drop of almost 50 per cent as compared with July. In August, 1939, usage was 31,543 bales. American silk experts pointed out that the 18,000-bale figure was more in line with actual consumption than the 30,000-bale month the Island Empire has reported for the past year. The unusually high figures reflected active inventory building by Japanese silk interests.

Now stuck with high cost goods, there

may be a total collapse in Jap consumption. Since sharply higher silk takings in Japan were one of the principal reasons for the 1937-39 run-up in silk prices, it will be interesting to see what happens now that Japanese consumption is declining.

In this country, silk consumption continues to run near twenty-year lows, thanks to rayon, nylon and other fibers. It is estimated that 27,500 bales will be used this month as compared with August deliveries of 30,189 bales and 37,000 bales in August, 1939.

COPPER

Futures rose about 50 points and the spot market boomed. All last week, consumers hammered the doors of copper companies attempting to secure immediate delivery of their needs, fearful of where prices might go when the full impact of the national defense program hits the copper market.

In spite of the sharp increase in demand (September copper sales will set an all-time high record) prices remained unchanged at 11 1/2 cents. But in the closing days of the week there were indications that prices would soon be advanced, perhaps as much as 1/2 cent a pound. Such an advance would recall 1936 and 1937 when copper companies jumped prices as much as 1 cent a pound at a time.

COCOA

Spot prices dropped about 12 points last week to come within striking distance of the five-year lows established last July. Futures were somewhat worse although manufacturers were reported buying from time to time.

Worrying American chocolate makers are the large cocoa stocks in this country and the prospects that they will get much bigger before many months. On Aug. 15, the New York Cocoa Exchange reported licensed cocoa stocks of 1,167,000 bags, somewhat below the near-record total of 1,376,000 bags a year ago but far above anything seen in this country before 1937.

LA RUE APPLEGATE.

Financing the National Defense Program

(Continued from Page 398)

tives are contradictory. Stimulation requires lowering some tax rates, control of inflation requires high rates. Actually the contradiction is less than it appears, for some of the present rates are so high that they pass the point of diminishing returns. They penalize the operation taxed to a point where it is avoided and tax returns thereby reduced. At present any conflict should be resolved in favor of stimulation rather than control. The inflation danger is latent, not immediate. It must be prepared for, but it is too early to put repressive controls into effect. In taxation, for example, we do well to let people earn some money before we take it away.

Up to this point we have been talking largely about what other people ought to do. What responsibilities have we as bankers in these matters?

Bankers' Responsibilities

First comes our responsibility as leaders of opinion. We know or should know more about these matters than most other people; and the time has come when we may speak out more freely.

Second, we have a direct responsibility in financing the defense program. It will come to our desk in two forms; the chance to finance directly business working on defense orders and the chance to subscribe to government bonds. The direct financing is complicated and difficult to arrange safely; taking government securities is easy. But for our own good and the good of the country the more we finance directly and correspondingly the less gov-

COMMODITY FUTURE PRICES											
(Grains at Chicago; Others at New York)											
Daily Range											
Cotton:	October.	December.	January.	March.	May.	July.	High.	Low.	High.	Low.	High.
Sept. 16	9.39	9.31	9.33	9.26	9.20	9.09	9.00	8.91	8.51	8.73	8.73
Sept. 17	9.38	9.35	9.34	9.30	9.24	9.16	9.06	9.00	8.86	8.76	8.76
Sept. 18	9.41	9.36	9.38	9.32	9.25	9.21	9.07	9.02	8.86	8.82	8.82
Sept. 19	9.42	9.37	9.43	9.36	9.26	9.33	9.24	9.16	9.06	8.93	8.96
Sept. 20	9.45	9.36	9.47	9.38	9.30	9.38	9.28	9.22	9.11	9.00	8.90
Sept. 21	9.46	9.43	9.46	9.35	9.35	9.36	9.32	9.20	9.17	8.98	8.93
Sept. 21 close...	9.46 t	9.44 t	9.35 t	9.34 t	9.17 n	8.94@8.97					
Week's range...	9.46	9.31	9.47	9.26	9.35	9.26	9.09	9.22	8.91	8.00	8.73
Previous week...	9.34	9.20	9.29	9.15	9.17	9.13	8.96	8.94	8.77	8.76	8.59
Wk. Sept. 23, '39	9.18	9.18	9.86	8.85	8.92	8.89	8.67	8.61	8.41	8.48	8.26
Contract {	10.29	10.18	8.33	10.14	8.26	10.08	8.10	9.22	8.00	9.00	8.37
range {	Ap. 17	No. 1	Ap. 17	Je. 6	Ap. 17	My. 18	Se. 20	My. 18	Se. 20	My. 18	Se. 20
Traded week ended Friday, Sept. 20, 418,800 bales; previous week, 266,900; year ago, 798,700.											
Wheat:	October.	December.	January.	March.	May.	July.	High.	Low.	High.	Low.	High.
Sept. 16	75%	75%	75%	76%	76%	76%	75%	75%	75%	75%	76%
Sept. 17	76%	75%	77%	76%	76%	77%	77%	77%	77%	77%	77%
Sept. 18	77%	75%	77%	76%	76%	77%	77%	77%	77%	77%	77%
Sept. 19	77%	76%	78%	78%	78%	78%	78%	78%	78%	78%	78%
Sept. 20	78%	77%	78%	77%	77%	78%	78%	78%	78%	78%	78%
Sept. 21	78%	77%	78%	77%	77%	78%	78%	78%	78%	78%	78%
Sept. 21 close...	77 t	77 t	77 t	77 t	77 t	78 t	78 t	78 t	78 t	78 t	78 t
Week's range...	78%	75%	78%	75%	78%	75%	78%	75%	76%	76%	76%
Previous week...	75%	73%	77%	75%	75%	77%	75%	75%	75%	75%	75%
Wk. Sept. 23, '39	87%	82%	87%	82%	87%	82%	87%	82%	87%	82%	87%
Contract {	1.11%	66%	85%	88%	79%	70%	70%	70%	70%	70%	70%
range {	Ap. 18	Al. 16	My. 27	Al. 16	Se. 4	Al. 16					
Wheat: Traded week ended Friday, Sept. 20, 39,207,000 bushels; previous week, 60,214,000; year ago, 134,288,000.											
Weekly Range											
Corn:	Week Ended Sept. 21, 1940—	Week Ended Sept. 14, 1940—	Contract Range Sept. 23, 1939—	Week Ended Sept. 21, 1940—	High.	Low.	High.	Low.	High.	Low.	High.
Sept.	High.	Low.	Contract Range Sept. 23, 1939—	High.	Low.	High.	Low.	High.	Low.	High.	Low.
Sept.	63%	61%	52%	70	50	52%	50	51	50	54%	50
Dec.	57%	55%	56%	56	54	56	54	57	56	58%	56
May	58%	57%	57%	57	56	57	56	57	56	58%	56
*Bushels traded	15,064,000			12,984,000							39,517,000
Oats:	Week Ended Sept. 21, 1940—	Week Ended Sept. 14, 1940—	Contract Range Sept. 23, 1939—	Week Ended Sept. 21, 1940—	High.	Low.	High.	Low.	High.	Low.	High.
Sept.	30%	29%	30%	30	29	35%	28	36%	28	36%	34%
Dec.	30%	29%	30%	30	29	34%	27	35%	27	35%	33%
May	30%	30%	30%	30	30	32%	30	38%	30	36%	34%
*Bushels traded	2,753,000			3,807,000							11,911,000
Rye:	Sept.	41%	40	41%	41%	39%	76%	40	36%	40	48%
Dec.	44%	42%	43%	44%	42%	42%	50%	45	38%	45	54%
May	47%	45%	46%	47	45	45	50%	47	42%	47	54%
*Bushels traded	2,219,000			2,987,000							4,675,000
Cocoa:	Sept.	4.14	4.19	4.19 n	6.55	6.52	8.52	3.97	7.12	5.59	5.10
Dec.	4.29	4.30	4.29 t	6.60	6.50	8.50	4.12	7.11	5.51	5.17	
Jan.	4.35	4.35	4.33 n	6.65	6.25	8.55	4.28	7.11	5.57	5.20	
Mar.	4.52	4.45	4.42 n	6.55	6.35	8.55	4.24	7.11	5.60	5.28	
May	4.60	4.54	4.51 n	6.61	6.16	8.55	4.37	7.10	5.68	5.34	
July	4.73	4.66	4.59 n	6.68	6.55	8.42	4.42	7.11	5.71	5.35	
Sept., 1941.	4.73	4.70	4.67 n	6.83	6.83	8.43	4.70	7.18	6.08	5.90	
Contracts traded	240			196							2,047
Coffee—A (No. 7):	Sept.	3.90	3.90	3.92 n	4.32	4.46	5.70	3.70	5.16	4.40	4.28
Dec.	3.92	3.92	3.92	4.35	4.33	5.70	3.70	5.16	4.40	4.30	
Mar.	3.97	3.97	3.97	4.33	4.33	5.70	3.90	5.16	4.40	4.30	
May	4.02	4.02	4.02	4.33	4.33	5.70	4.02	5.16	4.40	4.33	
Contracts traded	1			2							13
Coffee—D (Santos No. 4):	Sept.	5.55	5.50	5.50 n	5.40	5.25	6.54	5.11	6.65	6.65	6.36
Dec.	5.79	5.65	5.79 t	5.61	5.45	6.50	5.30	6.68	6.68	6.40	
Mar.	5.98	5.81	5.99 n	5.83	5.65	6.56	5.50	6.68	6.68	6.40	
May	6.08	5.93	6.09 n	5.94	5.76	6.48	5.67	6.71	6.71	6.40	
July	6.18	6.04	6.19 n	6.02	5.85	6.21	5.68	6.73	6.73	6.41	
Sept., 1941.	6.26	6.15	6.29 n	6.26	6.02	6.26	5.68	6.73	6.73	6.41	
Contracts traded	183			284							240
Copper:	Sept.	10.56	10.15	10.59 b	10.04	9.83	10.56	9.07	10.99	10.99	10.99
Dec.	10.55	10.05	10.55 t	10.04	9.83	10.55	9.07	11.11	10.73		
Mar.	10.50	10.10	10.50 t	10.06	9.94	10.55	9.14	11.22	10.80		
May	10.45	10.15	10.45 t	10.08	9.93	10.51	9.12	11.23	10.87		
July	10.45	10.25	10.45 t	10.05	9.90	10.45	9.12	11.27	10.90		
Contracts traded	229			223							526
Cottonseed Oil:	Sept.	Expired Sept. 14.	5.65	5.43	7.37	Feb.	9	5.35	Aug.	16	7.50
Oct.	5.60	5.39	5.46	5.49	5.62	5.44	7.35	Feb.	17	5.33	6.94
Dec.	5.71	5.50	5.58	5.61	5.71	5.55	7.31	May	10	5.46	

Year of War Finds No Sign of Inflation in Canada; War Loan Oversubscribed

THE Second War Loan went over the top with a sudden burst of small subscriptions. The books were closed last Saturday. The oversubscription amounted to \$42,000,000. Even so, the response of the average Canadian was said to be disappointing. Much the largest part of the loan was taken up by corporations and institutional investors. Such a situation is not at all desirable. A wider distribution of the bonds would be insurance against future inflation, future default or repudiation. Another factor in the situation is that many corporations may have impaired their working capital in order to assure the success of the loan.

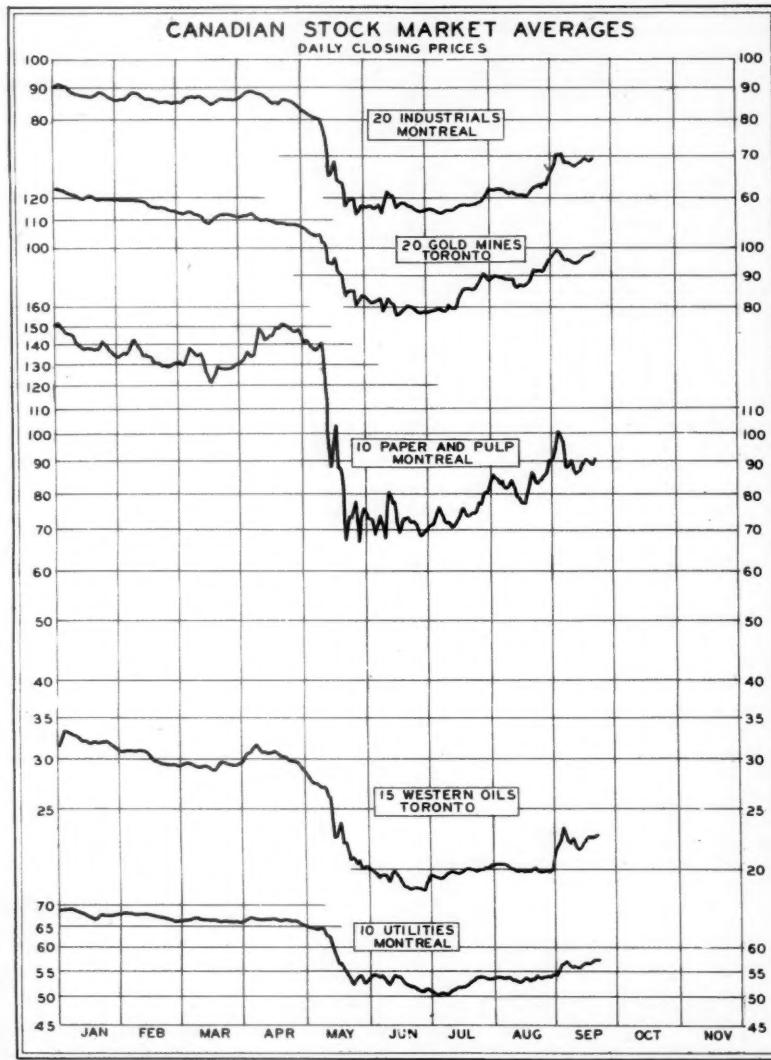
It is curious to note that the government bond market was as stable as "a painted ocean." A. E. Ames's averages did not move a bit all last week. This stability cannot be entirely attributed to dullness in the market. Perhaps it is just a coincidence that prices did not change while the Second War Loan was being offered.

Cheering to purchasers of the latest bond issue must have been the August report of the fiscal operations of the Canadian Treasury. It showed that in the first five months of the fiscal year ending on March 31, 1941, total government expenditures amounted to \$345,221,000, as compared with receipts of \$328,892,000. Corresponding totals for the first five months of the preceding fiscal year were \$233,773,000 and \$216,599,000. The deficit came to \$18,000,000 this year, as against a surplus of \$17,000,000 last year. In view of the sharp expansion in war activities, it is surprising that the current deficit was so small. A combination of increased tax receipts, some reduction of ordinary expenditures and a sharp decline in the Canadian Pacific's deficit have been responsible for keeping the excess of expenditures down, as may be seen from the accompanying table.

Another interesting feature of the re-

CANADIAN TREASURY RECEIPTS AND EXPENDITURES

	Receipts	Expenditures	Aug. 1940	Aug. 1939	Aug. 1940	Aug. 1939
Customs imp. duties	10,247	7,190	51,723	33,374		
Excise taxes	23,962	12,574	88,364	55,193		
Income tax	8,258	4,400	131,849	101,966		
Disbursements:						
Nat'l defense and spec'l war approp.	39,374	3,512	172,206	13,714		
Total ord. expend.	28,084	22,000	149,022	157,569		
C. N. R. deficit	1,500	3,000	12,750	41,250		
Total loans and inv.	2,474	2,913	23,412	16,963		



port is the remarkable speed with which defense expenditures have increased. The total in the first five months of this fiscal year was \$172,208,000. Last year in the same period the amount was \$13,714,000.

A list of contracts (of over \$5,000 each) awarded by the Department of Munitions and Supply from Jan. 1 to Aug. 24, 1940, totals \$171,336,000, or slightly less than actual war expenditures for five months.

The difference in monthly average expenditures and contracts is hard to explain, except that certain of the contracts have not been included in this tabulation (reprinted from a special war issue, "Canada's Industrial Front," of The Financial Post, Sept. 21, 1940). These may have been contracts let in foreign countries. Again, actual expenditures are indicative of actual work done and deliveries made. With the speed-up in industrial production in the last few months, deliveries must likewise have been accelerated. Then, too, the volume of contracts awarded prior to 1940 may have been larger than that awarded since the turn of the year. Although this may appear doubtful on the face of it, it should be remembered that, as soon as the war started, the Canadian Government ordered \$25,000,000 of railroad equipment and placed several other individual orders of large size which may have recently come into the delivery stage. Finally, there is the actual maintenance of the army (and also the navy) at home and abroad. Most of these expenditures including many under the Empire Air Training Plan are current, involving monies for which contracts are not let. Salaries are probably the largest item.

CONTRACTS AWARDED FOR MUNITIONS AND SUPPLIES

(Contracts of over \$5,000 each)

Jan. 1-Aug. 24.

Aircraft supplies	\$37,700,000
Clothing and accessories	25,202,000
Shipbuilding	25,372,000
Mechanical transport	20,921,000
Construction and defense projects	16,381,000
Munitions	10,349,000
Barracks stores	6,650,000
Ordnance	5,771,000
Electric equipment	4,622,000
Machinery, tools and hardware	4,060,000
Naval stores	3,840,000
Gas, oil and fuel	2,933,000
Foodstuffs	1,908,000
Lumber and building supplies	1,112,000
Medical and dental supplies	625,000
Miscellaneous	398,000
Metals	103,000
Marine equipment	27,000
Total	\$171,336,000

Source: Taken from The Financial Post, Toronto, Sept. 21, 1940.

One of the great wonders of the age is that inflation has not yet begun to appear after a year of war, a long period of capacity operation in industry and the virtual disappearance of unemployment. Perhaps the time has actually been too short for inflation to develop. Consumers and the Canadian Government have not yet begun to compete for existing goods. Prices certainly have not risen much to

Week Ended

Transactions on the Toronto Stock Exchange

Saturday, Sept. 21

CANADIAN STOCKS

INQUIRIES INVITED

A. E. AMES & CO.

INCORPORATED

TWO WALL STREET, NEW YORK

STOCK EXCHANGE STOCKS		
Sales.	High.	Low.
1,000 *Abitibi	90	90
1,320 Abit. 6% pf	5/4	4
500 *Acme Gas	5	5
5,700 *A P Cons	12/4	12
125 A P Grc pf	22	28
5,100 *Aldermac	17/4	18
26 Algoma Stl	10/4	10
1,200 *Almonte	12/4	12
1,000 *Ang Cdn	60	60
4,500 *Arntfield	4	4
500 *Ashley	4	4
3,837 *Aenor	167	165
1,000 *Bagamac	5/4	5
2,600 *Bairdfield	9/4	9
7 *B. Mont	182	180
1,000 *Base Met	9	9
25 Bath Pw A	11/4	11/4
1,000 *Bear Expl	5	5
196 Beaupharn's	5	5
131 Bell Phone	154/4	154
28,100 *Bendix	11	11
7,992 *Bis. Min	5/4	4
3,55 Blue Rib pf	35/4	35
4,000 *Boblo	5/4	5
1,225 *Bralorne	985	995
441 Brazil Tr	5/4	5
80 Breit. Dis	5/4	5
1,200 *Cas Treth	56	56
5,200 *Cdn Pat.	185	185
85,000 *Creston Pat.	3/4	5/4
7,000 *Brown Oil	11	11
1,325 *Buff Ank	350	450
560 *Buff Cdn	1%	1%
11,900 *Coch Whl	54	52

STOCK EXCHANGE STOCKS

Sales.

High.

Low.

Last.

205 Cockahutt.	6/4	5/4	5/4	75 Imp T ord.	14/4	14	14/4	17,200 *Naybob	21	20	21
800 *Conairus	130	128	130	2,000 *Inspiration	25	25	25	911 Noranda	57	54	57
80 Cons Baks.	14	13	13	35 Int Hill pf	116	115	115	1,500 *Nordia Oil	4	4	4
379 Cons Smelt.	38	37	38	1,549 *Int Nickel	37/4	36	37/4	16,860 *North Can	60	50	50
1,200 Cons Stl	100	98	100	3,149 *Int Pet.	17	16	16/4	1,500 *Ogema	15	15	15
2,200 *Davies P.	14	13	13	600 Jack White	20	20	20	3,500 *Okitea Oils	20	20	20
5,000 *DeIntle	65	57	57	500 Jellicoe	2	2	2	60 OrangCr pf	6 1/4	6 1/4	6 1/4
322 Dist Seagr.	25	24	25	5,757 *Kerr Add	265	265	265	1,412 *Poco	26	26	26
445 Dome	22 1/2	22	22 1/2	1,000 Kirk Hud.	12	12	12	2,210 Tamblyn	11	10	10
237 Dom Fdry	180	185	185	3,860 *Lake Shore	21 1/2	22	22	805 *Teck-Hug	320	320	320
16 Dom Lp	240	234	240	365 Lake Shore	19	19	19	100 *Texas Cdn	125	125	125
35 Dom Lp	265	265	265	308 Loblaws B.	25	25	25	19 T T Tailors	94	94	94
35 Dom Stores	5	4 1/2	5	67 Loblaws B.	25	24	25	100 *Toburn	125	125	125
22 Dom Wolms	150	150	150	5,000 Fanny Farm	26	26	26	25 Tc El pf	44	44	44
30 Dom W pf	4/4	4/4	4/4	1,000 *Farnell	19	19	19	2 or More	84	84	84
100 Gat Brew	100	100	100	1,000 *Farnell	19	19	19	100 Twin City	2	2	2
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	738 Union Gas	15	14	15
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	95 Un Fuel A	36	35	36
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	400 United Stl	4	4	4
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	20,785 Upper Can.	91	91	91
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	340 *Verdun	230	240	240
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	6,100 *Verdun	11	11	11
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	787 *Waito Am360	340	360	360
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	510 Walkers	40	37	40
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	6,218 *Preston	187	187	191
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	269 Walkers pf	194	191	191
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	500 *Ymr Yank	4%	4%	4%
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	1,000 *Brett Tr.	1	1	1
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	8,785 *Wendigo	11	11	11
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	100 *Wentw. Stl	124	111	124
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	10 Win Elec A	115	115	115
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	600 *Wood Cad	11	11	11
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	2,545 *Wright H	635	610	635
100 Gat Pw B	11/4	11/4	11/4	1,000 *Farnell	19	19	19	500 *Sand Anton	189	194	194

speak of. Wholesale prices in August, 1940, were only 14 per cent above those of August, 1939, the last pre-war month. The cost of living was only 5 per cent higher. As much of the advance in commodities can be attributed to the depreciation of the Canadian dollar as to the increase in demand. This is certainly true of import commodities.

Perhaps the time which the forces of inflation have had to gather strength has been too short. But can this qualification to the better control of and the essential change in our economic life actually stand up under closer inspection? Has not Germany been operating a war economy for almost eight years without anything like inflation developing? Can it be that the difference lies in the close organization of German economy which alone can prevent skyrocketing prices? Or can democracy run a war without inflation but without minute government control of business?

It may yet be too soon to make predictions or develop maxims out of current experience. Yet Canada has been able to do it. The change in economic life has been such that inflation is practically impossible. Not only do governments know more about the workings of our capitalistic economy (they have the experience of the last war to guide them), but they have on their side the perfection of taxation systems and vast growth of industrial capacity. Surplus capacity exists in industrial raw materials and in foodstuffs which can never be fully utilized. Even war can't consume them fast enough. Besides, industrial capacity in peacetime industries has been so overdeveloped that they can take on added work for defense and still maintain ordinary production and delivery schedules. The textile, shoe and other consumers' goods industries are good examples. Deficiencies exist clearly only in actual defense industries and in the steel industry. And if the war turns out to be a long one these deficiencies can be made up in good time. Inflation is no longer a necessary concomitant of war. If so, this speaks well for the economic readjustment after war and for the survival of capitalism.

One of the greatest changes in the last twenty or twenty-five years is the extent to which government has gone into business. And the war has accelerated this tendency. Canada now has seven corporate agencies which are set up in the form of private companies in order to speed up the war effort. This is, incidentally, another indirect compliment to private enterprise. A recent issue of The Financial Post suggests that their formation was effected for the purpose of getting "secrecy, efficiency and more brains in the

industrial department of Canada's war machine." Evidently the elimination of politics and red tape was one of the main objectives. And the private company proved to be an important element in speeding up rearmament.

At present there are seven companies. Two of them are so secret their names cannot be mentioned. The five others include Allied War Supplies, Ltd.; Federal Aircraft, Citadel Merchandising, Small Arms and Research, Ltd. The function of Allied War Supplies, Ltd., is to administer "the major explosives and munitions developments now under way in Canada," according to The Financial Post. Presumably this refers mainly to administration of plants built with government funds (estimated at \$150,000,000). Federal Aircraft, Ltd., is supervising production of a certain type of airplane, the Avro Anson plane.

Citadel Merchandising Company, Ltd., is coordinating the procurement and production of machine tools and other machinery for making war products. The company has purchased considerable quantities of machine tools in the United States, maintaining an office in this country for the purpose. The equipment bought is just loaned to munition producers, the company retaining title to it. Small Arms, Ltd., is to build and operate a plant making Lee-Enfield rifles. Research Limited is another production company, operating in the field of scientific instruments.

What chance is there of inflation, if the government is doing such a large share of the producing?

THE ANNALIST INDEX OF CANADIAN BUSINESS ACTIVITY

(Adjusted for seasonal variation and long-time trend)

	Aug.	July	Aug.
	1940	1940	1939
Freight car loadings	74.8	76.8	67.9
Electric power production	99.5	88.8	
Automobile production	84.0	70.6	23.6
Newswriting production	85.1	89.5	66.5
Steel import production	130.6	126.6	104.4
Plow iron production	118.3	75.8	
Coal production	113.1	107.8	
Rubber imports	39.9	73.1	
Flour production	81.7	87.5	
Cattle slaughtered	61.2	55.3	108.9
Hogs slaughtered	211.7	184.7	155.5
Board and plank exports	139.6	130.6	
Building permits	29.4	30.4	26.8
Combined index	**88.8	78.0	

*Subject to revision. †Revised.

The business situation remained practically unchanged. August retail sales of automobiles suffered a further setback. As measured by the volume of cars financed at retail, new passenger car sales were off 16 per cent last month from August, 1939. Even the commercial car market was contracted. The decline there came to 12 per cent. New taxes affected the passenger market particularly. The change-over to new models was also a factor. Used-car sales held up much better than new.

Retail trade, however, was not entirely depressed. In fact, just the opposite has been reported by the department stores. After seasonal adjustment, department store sales rose to 89.8 (1930=100) from 87.6 in July. In August, 1939, the index was 73.1. Thus, last month's trade at department stores was 23 per cent above that in August, 1939, and 2 per cent above that in July, 1940. Rising consumer purchasing power is of course the prime mover in boosting sales. But the August returns were also aided by unseasonably cold weather and by restrictions on tourist shopping in the United States (by the Foreign Exchange Control Board).

WHOLESALE COMMODITY PRICES

(1926=100)

	Sept. 13	Sept. 6	Sept. 15
	1940	1940	1939
All commodities	83.0	82.8	77.4
Vegetable products	70.3	70.1	69.0
Animal products	78.8	78.1	77.1
Textile products	83.5	83.6	67.5
Wood and paper	90.8	90.8	81.3
Iron products	105.8	105.8	95.5
Nonferrous metals	72.2	72.3	74.4
Nonmetallic minerals	90.4	90.4	84.4
Chemicals	90.3	90.3	78.2
Canadian farm products	64.4	63.8	64.8
Industrial materials	78.8	78.8	74.5
Sensitive:	65.4	65.6	65.8

[†]Woodly, Gundy & Co.'s index for Sept. 18, and Sept. 11, 1940, and Sept. 20, 1939, respectively.

[‡]Revised.

Building permits failed to show the expansion shown by actual construction contracts awarded during August. Permits granted by some fifty-odd municipalities amounted to \$6,819,000 last month, \$8,090,000 in July and \$6,178,000 in August a year ago. The discrepancy between the two leading sets of construction statistics is probably accountable for by the large volume of Federal Government construction. Under present circumstances, the contracts actually awarded are probably more indicative of the true state of affairs in building.

FREIGHT CAR LOADINGS

(Week Ended)

	Sept. 14	Sept. 7	Sept. 16
	1940	1940	1939
Grain and products	9,866	8,282	22,388
Livestock	1,898	1,974	1,837
Coal	6,452	5,270	6,414
Coke	459	456	771
Lumber	4,060	3,651	2,242
Pulpwood	1,405	1,671	956
Pulp and paper	2,348	2,105	2,387
Other forest products	1,845	1,393	1,864
Ore	3,006	3,666	3,487
L. C. I. merchandise	13,989	12,029	13,680
Miscellaneous	15,851	14,884	15,228

Total 61,779 55,361 71,274

Total 83.2 81.5 96.0

[†]1926=100; adjusted for seasonal variation.

Our regular table of carloadings shows that freight traffic has fallen below the level of last year. This first occurred during the week ended Aug. 31, 1940. The failure of carloadings to maintain their lead over last year is obviously the result of lower shipments of grain traffic from the Western grain areas. Apparently no one is anxious or in a hurry to market his crops. Most other kinds of products shipped have maintained their position over last year.

This is especially true of manufactured articles. Unless agricultural marketing picks up rapidly, however, freight traffic is likely to continue falling behind. Last year's crop was bumper.

S. L. MILLER.

Dominion Bond Prices and Yields

(Based on opening and bid prices)

	Prices	Yields				
	Long Term.	Short Term.	Aver- age.	Long Term.	Short Term.	Aver- age.
Sept. 5. 101.20	101.25	102.71	3.28	145	25.56	
Sept. 6. 101.20	101.25	102.71	3.28	145	25.56	
Sept. 7. 101.20	101.21	102.72	3.28	145	25.56	
Sept. 9. 101.22	101.21	102.72	3.27	145	25.56	
Sept. 10. 101.22	101.21	102.72	3.27	147	25.56	
Sept. 11. 101.22	101.21	102.72	3.27	147	25.56	
Sept. 12. 101.22	101.21	102.72	3.27	147	25.56	
Sept. 14. 101.10	101.19	102.72	3.29	149	25.58	
Sept. 16. 101.10	101.19	102.61	3.28	149	25.58	
Sept. 17. 101.10	101.19	102.61	3.28	149	25.58	
Sept. 19. 101.10	101.19	102.61	3.28	149	25.58	
Sept. 20. 101.10	101.62	102.72	3.28	151.56	25.63	
Sept. 21. 101.10	101.62	102.72	3.28	151	25.63	

Sources: A. E. Ames & Co.

[†]Changes in price and yield due to dropping one issue from the averages.

Toronto Stock Exchange

DAILY CLOSING AVERAGES

	20	20	15 West.
	Industrial.	Golds.	Oils.
1940.	99.1	96.9	21.7
Sept. 3.	102.5	98.4	22.2
Sept. 4.	105.3	99.6	22.3
Sept. 5.	105.0	99.3	23.4
Sept. 6.	105.2	98.7	23.1
Sept. 7.	103.6	95.7	22.2
Sept. 10.	102.7	95.3	22.0
Sept. 11.	103.0	96.5	22.2
Sept. 12.	101.1	95.0	21.6
Sept. 13.	101.8	94.6	21.6
Sept. 14.	102.1	95.0	22.0
Sept. 15.	102.2	96.0	22.1
Sept. 17.	103.3	96.8	22.5
Sept. 18.	103.5	96.8	22.5
Sept. 19.	104.3	96.8	22.5
Sept. 20.	103.8	97.2	22.6
Sept. 21.	104.0	97.7	22.6
Sept. 23.	106.0	98.6	22.8

SHARES SOLD

	Week Ended	Sept. 21.	Sept. 23.
Monday	93,000	255,000	
Tuesday	110,000	199,000	
Wednesday	104,000	306,000	
Thursday	104,000	312,000	
Friday	103,000	318,000	
Saturday	82,000	200,000	
Total	596,000	1,590,000	

Montreal Stock Exchange

DAILY CLOSING AVERAGES

	10	20	10 Pulp	15
	Utilities.	Industrials.	and Paper.	Goods.
1940.	53.9	66.0	90.4	70.3
Sept. 3.	55.0	68.1	94.5	71.8
Sept. 4.	56.5	70.6	100.5	73.6
Sept. 5.	56.7	70.5	99.0	74.4
Sept. 6.	56.7	70.5	97.0	74.7
Sept. 7.	57.1	70.6	97.0	74.7
Sept. 8.	56.2	68.3	86.2	72.4
Sept. 9.	56.1	68.3	85.7	72.5
Sept. 10.	56.1	68.3	85.7	72.5
Sept. 11.	56.1	68.3	85.7	72.5
Sept. 12.	56.1	68.3	86.0	70.7
Sept. 13.	56.5	67.5	86.7	70.2
Sept. 14.	56.6	68.0	87.8	70.6
Sept. 15.	56.6	68.0	87.8	72.3
Sept. 16.	56.7	68.1	89.5	72.3
Sept. 17.	56.7	69.1	89.4	72.9
Sept. 18.	56.7	69.6	90.1	72.9
Sept. 19.	57.3	69.2	89.2	74.2
Sept. 20.	57.1	69.2	89.0	73.8
Sept. 21.	57.2	69.8	91.1	74.5

SHARES SOLD

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Financial News of the Week

WHILE American Brake Shoe and Foundry Company makes other items for railroad and general industrial use, its most important product is brake shoes. Since a high percentage of its brake shoes are for replacement, its sales and earnings tend to be more stable than those of most other concerns in the railway equipment group.

Moreover, most of its products can be turned out on a mass-production basis and so, as sales rise, unit costs go down rapidly and profit margins widen abruptly.

Net income in the first six months of this year amounted to \$1,226,636, or \$1.41 per common share, as against \$919,934, or \$1.01 per share, in the corresponding period of 1939.

Since brake shoe replacements are so important to the company's prospects, the rise and fall of carloadings has significance in appraising its sales and earnings outlook. The following table shows total carloadings in thousands:

TOTAL FREIGHT CAR LOADINGS					
1940.	1939.	1940.	1939.		
Jan.	2,884	2,495	May.	2,992	2,599
Feb.	2,551	2,306	June.	3,023	2,811
Mar.	2,700	2,694	July.	3,185	2,770
Apr.	2,716	2,329	Aug.	3,359	3,060

Reflection upon the probable effects of the defense program seems to warrant the opinion that through the remainder of this year carloadings should at least show no great decline.

An educational order for shells received from the War Department in July may prove significant in the company's earnings outlook later.

New York Air Brake Company manufactures complete air brake equipment, much of it under a cross-licensing agreement with Westinghouse Air Brake. The two concerns completely dominate the manufacture of railroad brake equipment in this country. New York Air Brake usually gets about 25 to 30 per cent of the business volume available.

It has an anchor to windward in the manufacture of the new AB brake, patented by Westinghouse, which is compulsory on new freight equipment in this country and must be in use on all interchange cars by 1945. Only a small portion of the cars on line have been thus equipped so far.

For the first six months of 1940, New York Air Brake reported net income of \$832,818, or \$3.21 per share, as against \$216,291, or 83 cents per share, in the corresponding period of 1939.

More immediate fluctuations in the company's earnings are influenced, to a great extent, by orders for new freight cars, and in that connection the following table is pertinent:

FREIGHT CARS ORDERED					
1940.	1939.	1940.	1939.		
Jan.	209	3	May.	2,081	2,056
Feb.	1,182	2,400	June.	4,235	1,324
Mar.	1,076	1,000	July.	6,346	
Apr.	1,812	2,665	Aug.	7,065	360

For the first two weeks of September, a total of 2,090 new freight cars ordered has been reported.

During the World War the company manufactured a great volume of shells. There has been talk about it re-entering that field.

American Steel Foundries Company makes steel castings for general industrial use, but its principal customer is the railroads. Parts for repair and replacement account for about 25 per cent of its total sales. Most of its business comes from concerns making new freight and passenger cars, as well as locomotives.

For the first six months of this year the company reported net income of \$1,660,525, or \$1.40 per share, as against \$114,342, or 10 cents per share, in the corresponding period of 1939. Fully \$1.06 of the per-share figure for the first half

of this year, however, was earned in the first quarter, when the company was working off a huge backlog of business built up last Fall.

Despite the stabilizing influence of a railroad car wheel division—it owns Griffin Wheel Company—sales of American Steel Foundries fluctuate widely. Its greatest profits come from the sale of parts for new equipment, and so earnings tend to vary with the volume of new freight cars ordered and, more specifically, orders booked for railroad steel castings. Therefore the following table is of interest:

RAILROAD STEEL CASTINGS—NEW ORDERS BOOKED (Net Tons)

	1940.	1939.	1940.	1939.
Jan.	8,302	12,806	July.	20,770
Feb.	10,472	5,948	Aug.	6,912
Mar.	7,182	11,125	Sept.	42,213
Apr.	8,849	9,655	Oct.	58,530
May.	12,967	12,621	Nov.	52,146
June.	20,764	11,872	Dec.	28,263

INDUSTRIES

Figures in Parentheses Give Date of Last Previous Item

American Hide and Leather (5-25-39)—Claude Douthit, chairman, told stockholders that company is unable to sell its normal volume of goods at a profit under present conditions. He added, however, that stronger prices for leather should prevail within the next three months, barring any sudden change in world conditions.

Aviation Manufacturing Corporation (8-15-40)—War Department awarded to Lycoming division of this company a \$5,120,997 contract for aircraft engines.

American Woolen (9-19-40)—War Department announced the award to this company of new contracts as follows: serge cloth, \$1,697,500 and \$3,688,469; overcoating, \$986,000; flannel shirting, \$699,500.

Bell Aircraft (9-19-40)—War Department awarded to this company a \$19,896,662 contract for pursuit planes and spare parts. Company, it is reported, is spending "well over" \$2,000,000 on expansion, mostly for machinery and equipment. It is predicted output will reach three planes a day within two months.

Bendix Aviation (9-5-40)—Navy awarded to Pioneer Instrument Division of this company a \$16,000 contract for electric gyro horizon and a \$36,400 contract for bank and turn indicators.

Boeing Airplane (9-19-40)—War Department awarded a \$6,934,096 contract to Stearman division of this company for training planes and spare parts and a \$59,726,850 order to Boeing Aircraft Company, subsidiary, for bombers and spare parts.

Botany Worsted—Company has obtained contracts valued at \$1,031,800 from War Department for serge cloth and flannel shirting.

Brill Corporation (9-19-40)—a.c.f. Motors Company, affiliate, has received orders for 22 a.c.f. motor coaches powered with the Hall-Scott horizontal engines.

Budd (Edward B.) (9-5-40)—Company has obtained order for eighteen stainless steel coaches from Seaboard Air Line Railway Company and Pennsylvania Railroad Company.

Chrysler (9-19-40)—Plymouth division of company announced retail delivered prices for 1941 models, showing only nominal increases, averaging less than 2 per cent over 1940.

Colt's Patent Firearms (8-29-40)—War Department awarded a \$2,796,056 contract to company for infantry weapons.

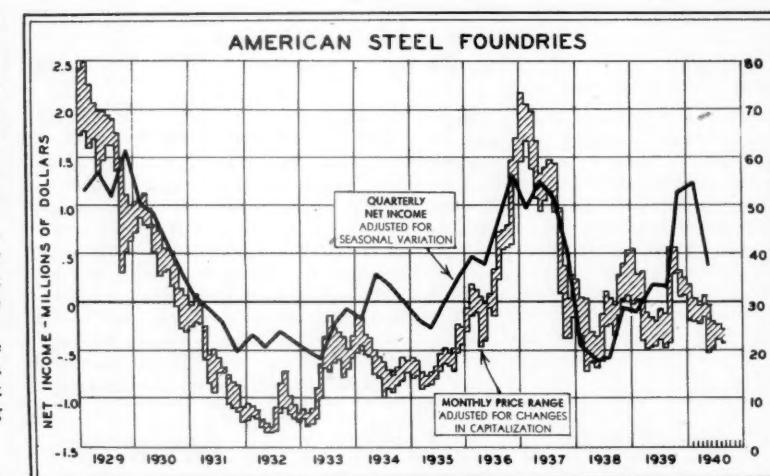
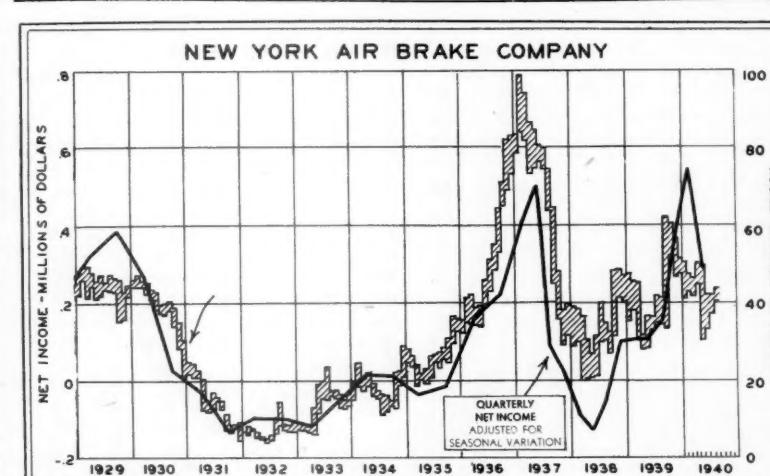
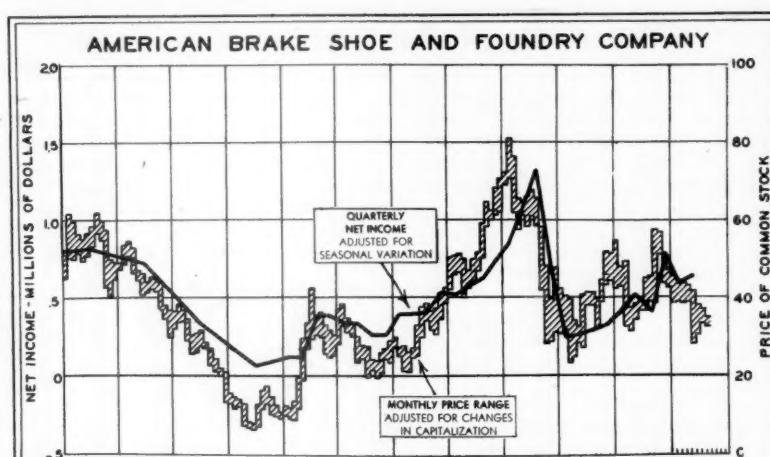
Continental Motors (9-19-40)—War Department awarded an \$11,412,000 contract to company for automotive engines and spare parts.

Curtiss-Wright (9-19-40)—War Department awarded to this company three contracts totaling \$36,320,373 for 540 pursuit planes, 150 training planes, forty-six transport cargo planes and spare parts.

Douglas Aircraft (8-22-40)—War Department awarded a \$20,229,184 contract to company for transport planes and spare parts. Navy has awarded a \$9,602,234 contract to this company for planes.

du Pont (9-12-40)—War Department has contracted with company to operate a \$14,000,000 TNT plant which will be built immediately at Wilmington, Ill. A \$10,500,000 contract has been awarded to Stone & Webster Engineering Company, subsidiary of Stone & Webster, Inc., for design and construction of plant. Installation of equipment and supervisory activities by du Pont will run total costs to more than \$14,000,000. About eight months will be needed to complete the plant.

Ford Motor (9-19-40)—Company has broken ground for a new \$11,000,000 airplane plant



American Brake Shoe and Foundry Company

Years Ended	Net Sales.	Operating Income.	Federal Taxes.	Net Income.	Earned a Sh.	Common Divs.	Surplus After Divs.
Dec. 31:							
1929				\$3,230	\$33.86	\$3.71	\$1,511 \$1,051
1930				2,906	30.47	3.24	1,658 581
1931				\$158	1,386	14.53	1,114 1,520
1932				\$994	257	2.70	60.67 534
1933				1,825	63	10.43	0.53 368
1934				2,062	172	1,169	12.36 489
1935	\$16,106	2,730	211	1,699	17.96	1.70	765 273
1936	20,076	3,528	401	2,352	25.16	2.97	1,590 212
1937	25,346	4,111	571	3,411	62.43	4.01	2,528 553
1938	19,042	1,278	167	1,061	19.75	1.03	769 25
1939	24,602	2,584	390	2,121	38.83	2.39	961 873

d Deficit.

SEP 26

at River Rouge. Production of 4,000 double-Wasp Pratt & Whitney engines ordered by United States Government is expected to begin March 1, 1941.

General Electric (9-19-40)—War Department awarded a \$1,750,826 contract to company for artillery materiel and a \$7,770,000 contract for searchlights.

General Motors (9-12-40)—War Department awarded an \$81,398,872 contract to this company for the production of machine guns

and the equipping of four machine-gun plants. Electro-Motive Corporation, subsidiary, has received an order from Seaboard Air Line Railway Company for a 2,000-horsepower diesel-electric locomotive. See Baltimore & Ohio.

International Shoe (7-4-40)—War Department awarded a \$505,000 contract to company for shoes.

Lima Locomotive (8-22-40)—It is reported that with forty-one locomotives under con-

tract, company in second half of 1940 should materially, and perhaps entirely, offset net loss sustained in operations for initial six months.

Lockheed Aircraft—War Department has awarded a \$15,646,450 contract to company for pursuit planes and spare parts.

Martin (Glenn L.) Company (9-19-40)—War Department awarded a \$14,269,046 contract to company for bombers and spare parts.

Mesta Machine (7-18-40)—Company received

an \$8,390,000 contract from War Department for artillery materiel.

Mid-Continent Petroleum—Company has completed installation of more than \$1,000,000 refinery equipment at West Tulsa refinery for production of its new DX lubricating motor fuel.

Midvale (2-22-40)—War Department awarded a \$1,500,000 contract to this company for artillery materiel.

National Pneumatic—War Department award-

Dividends Declared

Since Previous Issue
of The Annalist

and Awaiting Payment

Regular	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of	Pa-	Pay-	Hdrs. of				
Company	Rate.	rid.	Record	Company	Rate.	rid.	able	Company	Rate.	rid.	able	Company	Rate.	rid.	able	Company	Rate.	rid.	able	Company	Rate.	rid.	able	Company	Rate.	Pay-	Hdrs. of	
Affiliated Fd.	.5c	10-15	9-30	First Nat Bk Balt.	.50c	Q	10-1	9-20	March Newark Tr.	.374c	Q	10-1	9-20	Reliable Strs pf.	.374c	Q	10-1	9-25	Valvo Bag 6% pf.	.51c	Q	10-1	9-30	West Mich St Fdy.	.15c	Q	10-1	9-12
Albany Packing Co.	\$.1	Q	10-1	9-20	First Nat Bk Balt.	.50c	Q	1-1	12-20	Middle St. Tel III pf.	.817c	Q	10-1	9-18	Vulcan 3c vpf.	.75c	Q	9-30	9-26	Wetherill Finance pf.	.15c	Q	10-1	9-14				
Albany Packg. 7% pf.	.75	Q	10-1	9-20	First Nat Bk (Alta.) 45c	.90c	Q	9-30	9-18	MineraNPBptvill(Pa.)	.112c	Q	9-30	9-25	Repub Nat Bk Dallas	.60c	Q	10-1	9-15	Will & Baum Candle.	.10c	Q	11-1	9-23				
Allemann F Ins.	.25	Q	9-30	9-21	First Nat Bk (Alta.) 52.50	.90c	Q	9-30	9-20	MineraNPBptvill(Pa.)	.113c	Q	12-1	12-24	Republ Bk pt.	.175c	Q	10-1	9-20	Will & Baum Cndl pf.	.12c	Q	10-1	9-24				
Ames Bks Co.	.50c	Q	10-1	9-18	First Nat Bk (Detroi.)	.45c	Q	12-31	12-31	Monteira Bk & Mfg.	.60c	Q	10-1	9-20	Rochester Button Co.	.25c	Q	11-30	11-20	Wash T Ins.	.15c	Q	10-1	9-26				
Am Bk & T (Northeast)	.21	Q	10-1	9-20	First Nat Bk (JersCNJ) Cop41	.90c	Q	9-30	9-23	Monteira Pac Mfg.	.30c	Q	10-1	9-12	Rochester Button Co.	.374c	Q	10-1	9-14	Wash T Ins pf.	.15c	Q	10-1	9-26				
Am Coach & Body	.25c	Q	10-1	9-20	First Nat Bk (Tamaqua)P1	.90c	Q	12-31	12-23	Montreal L H&P Cnsl137c	.05c	Q	10-1	9-30	Safe Dep 5% Tr (Balt.)	.45c	Q	10-1	9-17	Wayne Pump.	.50c	Q	10-1	9-24				
Am D Co of Ga.	.30c	Q	10-1	9-20	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-17	Montreal Rd (Balt.) 50c	.90c	Q	10-1	9-20	St Jo RlLH&P 5% pf.	.125c	Q	10-1	9-16	Western Green Oil.	.50c	Q	9-30	9-13				
Am Hard Rubber pf.	.52	Q	9-30	9-20	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-17	Mo Pw & L pf.	.50c	Q	10-1	9-14	Schmidt Brewing.	.3c	Q	2-25	9-18	West Mich St Fdy.	.15c	Q	10-1	9-12				
Am Mfg Co.	.25c	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Morris (P) & Co Ltd.	.75c	Q	10-1	9-30	Seaf Fin Cpl \$2 pf.	.50c	Q	9-30	9-20	Wetherill Finance pf.	.15c	Q	10-1	9-14				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl.	.10c	Q	11-1	9-23				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c	Q	12-23	12-18	Munsey Tr Wash.	.51	Q	10-1	9-21	Seaf Accept Corp.	.25c	Q	10-1	9-10	Will & Baum Cndl pf.	.12c	Q	10-1	9-20				
Am Mfg Co pf.	.25	Q	10-1	9-14	First Nat Bk (Tamaqua)P1	.90c																						

ed a \$5,763,763 contract to company for artillery materiel.

Packard Motor Car (8-28-40)—Company has received a \$125,000,000 order from British Purchasing Commission for 6,000 Rolls-Royce liquid-cooled aircraft engines and spare parts. Packard will start construction and tooling immediately on a plant to produce this order and the previously announced \$62,500,000 order for 3,000 engines and parts for United States. Together with \$30,000,000 tooling and new plant costs, the United States and British contracts amount to \$217,500,000.

In addition to the firm order for 6,000 engines for the British and 3,000 for the United States, there were optional orders for 15,000 more engines, 5,000 for the United States and 10,000 for the British. After production started, the output rate was scheduled to reach forty a day within five or six months.

Packard's sales objective for 1941 models is 110,000 units, more than 15 per cent better than in the 1940 model year. Prices of the 1941 models were higher, with the six-cylinder models being up around \$60, the small eight (or Series 120) up \$95, the super-eight \$95 and the custom super-eight up \$175.

Pullman (8-19-40)—War Department awarded a \$838,150 contract to Pullman-Standard Car Manufacturing Company, subsidiary, for infantry weapons.

See Louisville & Nashville.

Sperry (8-22-40)—War Department has awarded a \$9,075,150 contract to Sperry Gyroscope Company, Inc., subsidiary, for searchlights.

United States Steel (9-19-40)—Armor plate facilities at Homestead and Mingo Junction, Ohio, are being expanded. I. S. Oids, chairman, has explained. Expansion of government's armor plate plant at Charleston, W. Va., operated under lease from Carnegie-Illinois also is on the program.

National Tube is installing new equipment in the Pittsburgh district for manufacture of shells and Federal Shipbuilding and Dry Dock at Kearny, N. J., is increasing its facilities considerably.

Vultee Aircraft (8-19-40)—War Department awarded a \$29,494,633 contract to company for airplanes and spare parts.

Wright Aeronautical (9-5-40)—Interested United States Government agencies have given final approval to contract arrangements between British Government and Wright Aeronautical Corporation for plant expansion and production of airplane engines.

Agreement provides for expansion of company's engine plant at Paterson, N. J., and the future interests of United States Government are protected by special provisions.

Army has awarded a \$6,829,144 contract to company for engines.

RAILROADS

Baltimore & Ohio (8-18-40)—Directors have authorized purchase of seven 2,000-horsepower Diesel-electric passenger locomotives from Electro-Motive Corporation. July net income \$200,624, against net loss \$24,186.

Louisville & Nashville (8-1-40)—Company has closed a contract with Pullman-Standard Car Manufacturing Company, subsidiary of Pullman, Inc., for 500 hopper cars.

Pennsylvania (8-19-40)—See items under Budd.

Seaboard Air Line (2-8-40)—Company has asked Interstate Commerce Commission for authority to issue \$1,120,000 3 per cent equipment trust certificates.

Applicant proposed that Reconstruction Finance Corporation purchase or guarantee the issue. New equipment to be purchased includes fifteen streamlined passenger cars, one locomotive unit and fifty hopper cars.

See items under Budd, also General Motors.

UTILITIES

Associated Gas and Electric (6-13-40)—Trustees have obtained an extension of option for acquisition by Northeastern Water and Electric Corporation, a subsidiary, of outstanding stock of Union Water Service Company from Federal Water Service Corporation for \$1,225,000.

Accordingly, trustees will drop their request to Federal Court, New York, for permission to withdraw an earlier application seeking approval of the transaction, and inform him that the matter has been reopened before SEC.

Brooklyn-Manhattan Transit (9-12-40)—Stockholders have authorized the winding up of the business and affairs of the corporation and several other matters incident to liquidation. G. M. Dahl, chairman, said that the final payment to common stockholders depends on the favorable solution of a tax problem under negotiation with Federal authorities.

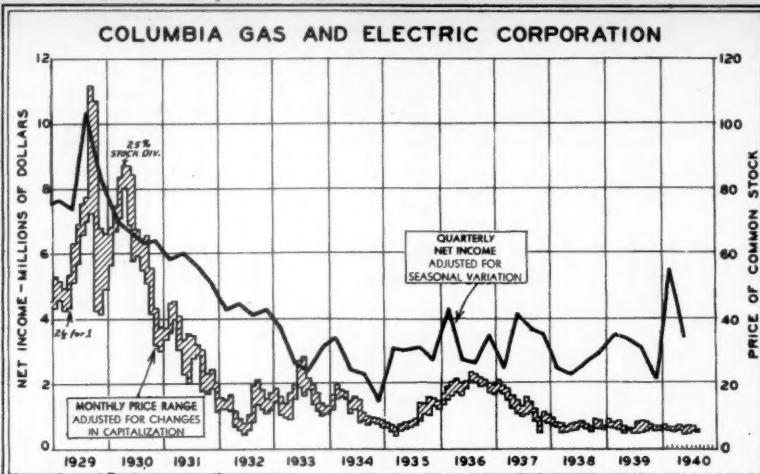
He added that, while he cannot say definitely that the initial liquidating dividend will be \$20, his recent mention of the payment has been "not less than \$10," rather than a definite figure of \$10.

Central New York Power (8-28-40)—New York Public Service Commission has authorized company to sell \$5,000,000 3 1/2 per cent general mortgage bonds, due 1965, to Equitable Life Assurance Society at 101.

Proceeds will be applied for construction of additional facilities, and money obtained must be deposited in a special fund and may be spent only for purposes approved by the commission.

MISCELLANEOUS

Eastern Air Lines (9-12-40)—Company an-



Company	Net Income 1940.	Com. Share Earnings 1939.	Net Income 1940.	Com. Share Earnings 1939.
Thompson-Starrett Co.			193,585	137,508 .23
July 25 qr.			193,585	137,508 .23
United Dyewood Corp.			188,749	176,667 p3.04 p2.63
6 mo. June 30.			188,749	176,667 p3.04 p2.63
Valspur Corp.	12 mo., Aug. 31	220,384	104,818 .25 p3.44	
32 wks., Aug. 10	682,617	537,137 3.41	2,68	
Vultee Aircraft, Inc.	7 mo., June 30.	728,244	8	
Universal Leaf Tobacco Co.	Yr., June 30.	1,520,044	1,529,238 7.07	7.00

RAILROADS

Alabama Great Southern R. R.	7 mo., July 31.	955,943	869,063 34.28	33.88
Ann Arbor R. R.	7 mo., July 31.	1108,017	1177,701	
Atchison, Topeka & Santa Fe Rwy.	7 mo., July 31.	2,284,448	1,321,906 p1.34	p1.06
Baltimore & Ohio R. R.	7 mo., July 31.	1949,800	6,370,938	
Chgo. Mil. St. P. & Pac. R. R.	7 mo., July 31.	19,707,917	11,063,980	
Chgo. St. P. Mpls. & Omaha Rwy.	7 mo., July 31.	1,923,429	12,263,138	
Cons. Rail. of Cuba and subs.	Yr., June 30.	1,626,733	1,668,367	
Cheapeake & Ohio Rwy.	8 mo., Aug. 31.	22,259,560	11,526,078 2.85	1.45
Cuba Railroad	Yr., June 30.	1152,180	1363,182	
Delaware & Hudson R. R. Corp.	7 mo., July 31.	752,824	505,941	
Florida East Coast Rwy.	7 mo., July 31.	1774,001	1778,693	
Gulf, Mobile & Northern R. R.	7 mo., July 31.	43,785	157,088 p.29 p1.03	
International-Great Northern R. R.	7 mo., July 31.	11,899,800	11,890,102	
Kansas City Southern Rwy.	7 mo., July 31.	532,894	241,744 .08	p1.15
Long Island R. R.	7 mo., July 31.	1,716,784	1,135,456	
Louisville & Nashville R. R.	7 mo., July 31.	4,273,261	1,901,220 3.65	1.70
Market Street Rwy.	12 mo., July 31.	129,871	1286,472	
Missouri-Kansas-Texas Lines	7 mo., July 31.	11,919,904	12,153,128	
Mobile & Ohio R. R.	7 mo., July 31.	1,962,468	1510,411	
N. Y., Chicago & St. Louis R. R.	8 mo., Aug. 31.	1,035,886	79,360 p2.87	
New York, Ontario & Western Rwy.	7 mo., July 31.	1,271,424	1,001,105	
Pennsylvania R. R.	7 mo., July 31.	14,675,452	5,919,491 1.11	.45
Seaboard Air Line Rwy.	7 mo., July 31.	13,292,767	13,681,316	
Southern Railway	7 mo., July 31.	1,195,983	119,759 p1.99	p2.0
Tennessee Central Rwy.	7 mo., July 31.	27,426	136,524	
Union Pacific R. R.	7 mo., July 31.	4,771,491	3,878,707 1.10	.70
Wabash Rwy.	7 mo., July 31.	12,758,140	13,448,323	

UTILITIES

California Oregon Power Co.				
12 mo., July 31.	941,338	909,504		
Cincinnati Street Railway Co.				
8 mo., Aug. 31.	80,647	48,203 .17	.10	
Connecticut Light & Power Co.				
12 mo., Aug. 31.	13,755,814	13,694,567	13.27	13.22
Detroit Edison Co.				
12 mo., Aug. 31.	10,392,937	9,952,318	8.16	7.82
Duquesne Light Co.				
12 mo., July 31.	17,716,711	9,761,627	4.34	3.89
International Tel. & Tel. & subs.				
6 mo., June 30.	1126,977	1,345,474		
Jamaica Public Service, Ltd.				
12 mo., July 31.	208,140	209,216		
Kansas City Public Service Co.				
8 mo., Aug. 31.	1210,433	1494,538		
Louisville Gas & Elec. of Del.				
12 mo., July 31.	1,624,085	1,286,754	c1.80	b1.31
Monongahela W. Penn. Pub. Ser. Co. & subs.				
12 mo., July 31.	1,483,395			
National Power & Light Co. & subs.				
3 mo., July 31.	1,726,410	712,749 .23	.05	
12 mo., July 31.	9,152,370	7,229,579 1.36	1.01	
Northern Indiana Public Service Co.				
7 mo., July 31.	1,643,784	1,315,359 .46	.28	
12 mo., July 31.	2,694,464	2,163,240 .72	.43	
Philadelphia Co.				
12 mo., July 31.	6,977,070	5,263,848		
Publ. Service Corp. of New Jersey				
12 mo., Aug. 31.	24,454,411	25,609,800 2.66	2.86	
Southern Natural Gas Co. & subs.				
12 mo., July 31.	2,232,940	1,427,103		
Westinghouse Electric & Mfg. Co.				
23 mo., Aug. 31.	814,975	3,200,491 1.80	1.20	
28 mo., Aug. 31.	207,146	7,965,673 4.94	3.94	
West Penn Power Co. & subs.				
12 mo., July 31.	8,824,654			

^aNot available. ^bNet loss. ^cProfit before Federal income taxes. ^dEarnings for 1940 exclude French subsidiary while those for 1939 include French subsidiary. ^eOn Class B shares. ^fOn Class A and Class B shares. ^gOn Class A shares outstanding at close of respective periods. ^hOn average number of shares. ⁱOn preferred stock. ^jSurplus available for common stock after preferred dividends. ^kAs compiled from company's monthly earnings figures.

Chain Store Sales

Kroger Grocery & Baking	P. C.
1940.	1939.
7,18,986,749	18,511,526 2.5
Four weeks, Sept. 7.	
175,764,914	163,878,226 7.2
Thirty-six weeks.	
5,803	3,909
National Tea Company	
Four weeks, Sept. 7.	4,490,345 4,456,966 .9
41,759,706	37,810,092 10.4
Thirty-six weeks.	

35
ECONOMIC CHANGES IN THE UNITED STATES SINCE 1854
(Wholesale prices, 1910-14 = 100. Stock prices, square roots. This table may be used to bring 83-year chart up to date)

	Whole- Bus. Coml.	Industrial Bus. sale Pap. Ind.	Stock. Prices. Act'y. Prices. Recs. Yds. High. Low.
May...	86.8	110	56 3.66 12.44 11.91
June...	92.1	110	56 3.61 12.52 11.87
July...	93.1	110	56 3.63 12.76 11.94
Aug...	95.0	110	56 3.66 12.68 11.75
Sept...	100.7	110	65 3.92 13.29 11.70
Oct...	107.0	110	69 3.83 13.27 12.85
Nov...	108.0	110	66 3.78 13.15 12.57
Dec...	110.0	110	56 3.76 12.84 12.61

1940.

Jan... 105.0 110 56 3.72 12.98 12.42

Feb... 115.5 115 56 3.72 12.75 12.50

Mar... 96.5 115 56 3.75 12.80 12.53

Apr... 95.2 115 56 3.73 12.97 12.59

May... 104.5 115 56 3.78 13.08 12.68

June... 105.4 115 56 3.84 13.03 12.68

July... 105.9 115 56 3.81 11.53 12.23

Aug... 107.5 115 56 3.70 11.62 11.15

For figures from 1854 to 1908, see THE ANNALIST, issue of June 27, 1940, page 300, from 1897 to 1938, see THE ANNALIST, issue of July 13, 1939, page 62. For chart see THE ANNALIST of Jan. 25, 1940, pages 144 and 145.

June, 1940, business activity figure revised.

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INDUSTRIAL PRODUCTION (4)
(1935-39=100; adjusted for seasonal variation)

	Manufactures					
	Dur.	Non-	All	able durable	Min-	erals.
	Total	Mfrs.	Goods.	Goods.	erals.	
1938.	92	91	81	100	98	
Sept.	92	91	81	100	98	
Oct.	95	95	88	100	98	
Nov.	100	100	96	103	102	
Dec.	101	101	97	104	102	

1939.

Sept. 98.1 110 56 3.61 12.52 11.87

Oct. 100 110 56 3.63 12.76 11.94

Nov. 101 101 56 3.66 12.68 11.75

Dec. 101 101 56 3.66 12.68 11.75

1940.

Jan... 102 101 98 104 103

Feb... 101 101 97 104 102

Mar... 101 100 96 104 103

Apr... 97 96 93 103 92

May... 97 98 90 104 96

June... 102 102 97 106 105

July... 104 104 101 106 107

Aug... 104 107 103 108 91

Sept... 113 113 114 115 114

Oct... 121 121 129 115 129

Nov... 124 124 133 117 120

Dec... 126 128 140 118 114

1940.

Jan... 122 123 135 113 118

Feb... 122 124 124 110 114

Mar... 112 118 109 109 117

Apr... 111 110 113 107 119

May... 114 114 119 110 118

June... 121 121 131 114 118

July... 121 121 131 113 120

Aug... 123 124 135 114 116

37
BANKERS' ACCEPTANCES AND COMMERCIAL PAPER OUTSTANDING

(End of month; millions of dollars. Adj., adjusted for seasonal variation)

	Bankers' Accept.	Com'l Paper
1938.	258	293
Sept.	261	276
Oct.	270	269
Nov.	273	257
Dec.	270	249

1939.

Sept. 258 293 | 209 |

Oct. 261 276 | 203 |

Nov. 273 257 | 202 |

Dec. 270 249 | 200 |

1940.

Sept. 255 237 | 195 |

Oct. 248 233 | 199 |

Nov. 223 210 | 210 |

Dec. 233 215 | 210 |

1940.

Sept. 229 213 | 219 |

Oct. 233 219 | 226 |

Nov. 220 224 | 229 |

Dec. 227 220 | 226 |

1940.

Sept. 229 213 | 219 |

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Sept. 229 213 | 219 |

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Sept. 229 213 | 219 |

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Sept. 229 213 | 219 |

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Sept. 229 213 | 219 |

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223 210 | 214 |

Dec. 223 215 | 210 |

1940.

Oct. 223 219 | 224 |

Nov. 223</td

Stock Transactions—New York Stock Exchange

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Bid and Asked Quotations on Sept. 21 for Issues Not Traded In

Earnings per share as reported by Standard Statistics
 Blank means figures not available.
 Full face—1 to 13—Number of months
 covered by latest interim report.
 —On all classes of preferred.

New York: Full face—Calendar years 1939 and 1940
1—Before depletion.
j—Per share earnings not corrected as results are before all debts.
k—Liquidation. m—Adjusted
n—Tentative.

Earnings per share as reported by Standard Statistics Company of
 Blank means figures not available.
 Full face—1 to 13—Number of months
 covered by latest interim report.
 —On all classes of preferred.

26, 1940
 year and including fiscal years ending through Jan. 31, 1940. Light face—all current earnings.
 P—1938 results cover 10 months ended Oct. 31, as company is changing fiscal year.
 R—Amount varies. U—in script.
 *—Amount in Arrowsmith, unless otherwise indicated.

W—Weeks. X—Ex. dividend.
 Y—Not computed, as no allowance was made for debt services.
 Z—Stocks of no par value are indicated by (np).

†—Partly extra.
 \$—\$100 or payable in stock.
 *—Figures under high and low column represent asked and bid prices of Sept. 21.

Stock Transactions—New York Stock Exchange—Continued

for Calendar Week Ended—

Saturday, Sept. 21

Stock Transaction—New York Stock Exchange—Continued

For Calendar Week Ended—

1940 Light game—all current earnings

er and including fiscal years ending through Jan. 31, 1940. Eight

results cover 10 months ended **W**-Weeks, **z**-Ex dividend.

— Not commuted as no allowance was made for the time lost.

and year. made for debt service.

int varies. u-In script.

ble in Argentine mone-
y. Stocks or bonds or par
value or no par value.

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Exchange—Continued

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Saturday, Sept. 21

Stock Transactions—New York Stock Exchange—Continued

For Calendar Week Ended—

Bond Transactions—New York Stock Exchange—Continued

1940 Range High. Low.										1940 Range High. Low.										1940 Range High. Low.									
Sales in 1000s.					High. Low. Last. Chge.					Sales in 1000s.					High. Low. Last. Chge.					Sales in 1000s.					High. Low. Last. Chge.				
78% 64% N O Gt Nor 5s 83 .	5	71	71	71	- 1/4	141% 7 St LSF 41s 78.	60	10	91/2	10	+ 3/4	107% 83 CANADA 5s 52 .	21	11/2	11/2	11/2	11/2	83	99%	98%	98%	- 1/4							
105% 102% N O Pu Sv 5s 52 A .	13	106	104	104	+ 1/4	13% 6 St LSF 41s 78 ct.	64	9	91/2	91/2	+ 1/4	103% 134 BERLIC City El 61/2 59 .	3	14%	14%	14%	14%	55	92%	90%	91%	+ 1							
105% 101% N O Pu Sv 5s 52 B .	3	104	104	104	+ 1/4	14% 7 St LSF 41s 50 A .	79	101/2	91/2	91/2	+ 1/4	13% 134 BERLIC City El 61/2 55 .	3	14%	14%	14%	14%	55	92%	90%	91%	+ 1							
60% 55% N Ort Texan 5s 52 .	3	60	60	60	+ 1/4	14% 6 St LSF 41s 50 A ct.	2	9	91/2	91/2	+ 1/4	13% 134 BERLIC City El 61/2 57 .	17	14%	14%	14%	14%	55	92%	90%	91%	+ 1							
71% 55% N Ort Texan 5s 52 .	9	61	61	61	+ 1/4	13% 12 St L SF 41s 52 .	15	15	15	15	+ 1/4	13% 134 BERLIC City El 61/2 52 .	19	12%	12%	12%	12%	55	92%	90%	91%	+ 1							
27% 27% N O Tex&M 5s 54 .	18	15	15	15	+ 1/4	12% 12 St L SF 41s 54 .	17	9	91/2	91/2	+ 1/4	13% 134 BERLIC City El 61/2 54 .	14	12%	12%	12%	12%	55	92%	90%	91%	+ 1							
33% 21% N O Tex&M 5s 54 B .	18	29	29	29	+ 1/4	12% 54/2 St L SF 1st 4s 89 .	46	63	63	63	+ 1/4	13% 134 BERLIC City El 61/2 54 .	98	11%	11%	11%	11%	55	92%	90%	91%	+ 1							
39% 23% N O Tex&M 5s 54 B .	15	32	32	32	+ 1/4	12% 35/2 St L SF 1st 4s 89 .	9	30	29	29	+ 1/4	13% 134 BERLIC City El 61/2 54 .	78	33	33	33	33	55	92%	90%	91%	+ 1							
37% 24% N O Tex&M 5s 54 B .	18	30	30	30	+ 1/4	12% 4 St FAKC St L 41s 41 .	2	74	67	67	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
15% 8% N Y & Greenwch L 5s 46 .	15	15	15	15	+ 2/4	12% 8 St FAKC St L 41s 41 .	8	47	47	47	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	50	50	50	50	55	92%	90%	91%	+ 1							
53% 43% N Y & Put 4s 43 .	8	53	53	53	+ 1/4	12% 6 St FAKC St L 41s 41 .	118	110/2	110/2	110/2	+ 1/4	13% 134 BERLIC City El 61/2 54 .	90	50	50	50	50	55	92%	90%	91%	+ 1							
110% 107% N Y & Put E&P 34s 65 .	1	110/2	110/2	110/2	+ 1/4	12% 7 St Fau Un Dep 5s 72 .	1	114/2	114/2	114/2	+ 1/4	13% 134 BERLIC City El 61/2 54 .	90	50	50	50	50	55	92%	90%	91%	+ 1							
60% 45% N Y & Put E&P 34s 65 .	32	56	56	56	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	67	66	64	65	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
65% 44% N Y & Put E&P 34s 65 .	82	56	56	56	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	32	32	32	32	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
63% 44% N Y & Put E&P 34s 65 .	161	63	63	63	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	7	3	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
85% 74% N Y & Put E&P 34s 65 .	24	85	85	85	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
65% 62% N Y & Put E&P 34s 65 .	163	62	62	62	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
95% 85% N Y & H B 5s 42 .	61	95	94	94	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
84% 65% N Y & H B 5s 42 .	49	84	84	84	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
85% 65% N Y & H B 5s 42 .	3	75	75	75	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
100% 100% N Y & H B 5s 42 .	4	108/2	108/2	108/2	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
107% 101% N Y & H B 5s 42 .	4	107/2	107/2	107/2	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
57% 46% N Y & H B 5s 42 .	4	107/2	107/2	107/2	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
56% 46% N Y & H B 5s 42 .	4	107/2	107/2	107/2	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	1	1	1	1	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
110% 104% N Y & H B 5s 42 .	21	110	109	109	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
110% 105% N Y & H B 5s 42 .	21	109	109	109	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
118% 113% N Y & H B 5s 42 .	4	117	116	117	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
24% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
24% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
34% 19% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
34% 19% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12	12	12	+ 1/4	12% 107/2 St Fau Un Dep 5s 72 .	50	50	50	50	+ 1/4	13% 134 BERLIC City El 61/2 54 .	66	41	41	41	41	55	92%	90%	91%	+ 1							
23% 12% N Y & H B 5s 42 .	18	12																											

Transactions on the New York Curb Exchange

For Week Ended Saturday, Sept. 21

Stocks and bonds marked with a dagger are fully listed on the Curb Exchange; others are dealt in as unlisted issues.

Range 1940 Stock and Dividend in Dollars. Net High. Low. Last. Chge. Sales.

7 4% AERO SUP B (4%) ↑ 5% 5 5% + 1/4 1,400

6 4 Ainsworth (14%) ↑ 5% 5 5% + 1/4 1,000

10% 8 Air Investors ↑ 2% 2 2% + 1/4 700

85 82 Allied Prod (14%) ↑ 14% 12 14% + 2/4 650

14% 8 Allied Prod A (14%) ↑ 23% 22 23 + 5/4 50

23 17 Allied Prod A (14%) ↑ 23% 22 23 + 5/4 50

1224 1384 Alum Co Am (36e) ↑ 164 160 162 + 4/4 1,750

1184 106 Alum Co Am pf (6) ↑ 115 114 115 + 2/4 300

1107 424 Alum Ld (41%) ↑ 83% 80 82 + 4/4 450

14% 2 Alum Beverage ↑ 3% 3 3 + 1/4 300

33 34 Alum Prod ↑ 40 40 40 + 1/4 300

74 4 Am Bar Board ↑ 5 5 5 + 1/4 400

25 254 Am C P & I (3h) ↑ 31 30 30 + 1/4 225

334 224 Am C P & L A ww (23h) ↑ 29% 29 29 + 1/4 200

1% 9 Am Ch P & L B ↑ 2% 2 2 + 1/4 2,500

36 31 Am Cyan A (60) ↑ 34% 34 34 + 1/4 50

39% 26 Am Cyan B (60) ↑ 36% 34 36 + 1/4 9,600

18% 8 Am Exp Linen (4%) ↑ 12% 11 10 + 1/4 1,000

14% 24 Am Gears & T (20) ↑ 32% 31 32 + 1/4 300

260 264 Am Gears & T (36) ↑ 32% 31 32 + 1/4 300

111% 107% Am Gas & E pf (4%) ↑ 113% 111% 111% + 1/4 100

4 24 Am Gen ↑ 3 2 2 + 1/4 1,600

314 224 Am Gen \$2 pf (2) ↑ 27 26 26 + 1/4 225

34% 264 Am Gen \$21 pf (2%) ↑ 27% 27% 27% + 1/4 150

1% 11 Am Hand Emb ↑ 15 15 15 + 1/4 600

18% 14 Am Hand Mch (80a) ↑ 16% 15 16 + 1/4 200

15% 14 Am Hand Mch T (120) ↑ 16% 15 16 + 1/4 1,000

26% 25 Am Ld & T pf (12%) ↑ 29% 28 29 + 1/4 100

25% 134 Am Mfg (1) ↑ 19 19 19 + 1/4 100

1% 9 Am Maracaibo ↑ 5% 5 5 + 1/4 400

6% 36 Am Republics ↑ 5% 5 5 + 1/4 1,100

1% 36 Am Superpow ↑ 5% 5 5 + 1/4 700

4,500 Am Superpow 1 pf ↑ 12% 11 10 + 1/4 4,500

11% 36 Am Superpow pf (4%) ↑ 3 3 3 + 1/4 100

1% 1 Anchor Post Fence ↑ 1% 1% 1 + 1/4 200

115 108 Am Pstl Ew pf (7) ↑ 112% 112% 112% + 1/4 90

1% 16 Ark Nat Gas ↑ 2% 2 2 + 1/4 1,000

1% 16 Ark Nat Gas A ↑ 2% 2 2 + 1/4 1,900

6% 64 Ark Nat Gas pf (90k) ↑ 8% 7% 7% + 1/4 1,100

6% 4 Ark Nat Woods (60) xd ↑ 5% 4% 4% + 1/4 200

5% 4 Ark Oil & B (40) ↑ 4% 4% 4% + 1/4 200

11% 16 Ark Gas & El (20) ↑ 16% 15 16 + 1/4 300

11% 16 Ark Gas & El A ↑ 16% 15 16 + 1/4 1,200

4% 14 Ark Coast Fish ↑ 2% 2 2 + 1/4 1,100

23% 12 Ark Cine Co (16) ↑ 15% 15% 15% + 1/4 20

6% 36 Ark Rayon (10e) ↑ 4% 4% 4% + 1/4 200

2% 5 Ark Rayon War ↑ 3% 3% 3% + 1/4 2,600

2% 5 Ark Rayon War (20e) ↑ 3% 3% 3% + 1/4 100

1% 11 Ark Atlas Pstl (14%) ↑ 14% 14% 14% + 1/4 400

22% 11 Ark Auburn Cen Mfg ↑ 2% 2 2 + 1/4 800

1% 9 Ark Automat Prod ↑ 14% 14% 14% + 1/4 100

6% 32 Ark Automat Vot Mach ↑ 14% 14% 14% + 1/4 1,600

7% 34 Avery & Sons (5%) ↑ 6% 5% 5% + 1/4 400

20% 15 Avery & Sons pf ww (1%) xd ↑ 18% 18% 18% + 1/4 75

4% 24 Aviation & Trans ↑ 2% 2 2 + 1/4 4,000

53 34 Ark Atlan-Fla A ↑ 3% 3% 3% + 1/4 120

20% 18% BARDOCK & W (60e) ↑ 28% 27 28% + 1/4 2,500

27% 15 Baldwin Loco pf (210) ↑ 22% 21% 21% + 1/4 500

4% 41 Baldwin Loco war ↑ 6% 6% 6% + 1/4 1,900

1% 12 Bardis A Dis ↑ 1% 1% 1% + 1/4 600

1% 12 Barlans S Stee ↑ 1% 1% 1% + 1/4 1,800

11% 8 Bari & S A (120) ↑ 10 10 10 + 1/4 100

7% 24 Bari & S A (40) ↑ 15% 15% 15% + 1/4 3,000

6% 36 Bari & S A (40e) ↑ 15% 15% 15% + 1/4 3,000

3% 36 Bari & S A (40e) ↑ 15% 15% 15% + 1/4 2,300

1% 12 Bari & S A (40e) ↑ 15% 15% 15% + 1/4 2,300

1% 12 Bell Airc ↑ 18% 17% 18% + 1/4 4,800

13% 12 Bell Tel Can (8) xd ↑ 10% 9% 10% + 1/4 40

13% 88 Bell Tel P (6%) xd ↑ 12% 12% 12% + 1/4 25

12% 114 Bell Tel P (6%) xd ↑ 12% 12% 12% + 1/4 100

3% 3 Bellans Airc ↑ 3% 3% 3% + 1/4 100

1% 12 Berk & Gay Farm ↑ 1% 1% 1% + 1/4 400

1% 12 Berk & S Fy (4%) ↑ 1% 1% 1% + 1/4 600

1% 12 Berk & W (4%) ↑ 1% 1% 1% + 1/4 600

1% 12 Bimonthl (8) ↑ 14% 14% 14% + 1/4 2,100

1% 28 Borne Scrym (26) ↑ 3% 3% 3% + 1/4 50

6% 46 Bourjous (12) ↑ 6% 5% 5% + 1/4 200

21% 26 Bowm-Bill H 1st pf ↑ 2% 2% 2% + 1/4 100

21% 26 Bowm-Bill H 2nd pf ↑ 2% 2% 2% + 1/4 100

8% 26 Bowm-Bill H 2nd pf ↑ 2% 2% 2% + 1/4 100

1% 26 Bowm Tr L & P (42) ↑ 3% 3% 3% + 1/4 1,900

1% 26 Brewst Aero ↑ 10% 10% 10% + 1/4 4,700

3% 12 Bridgit Mach ↑ 15% 14% 15% + 1/4 300

1% 12 Brill A ↑ 3% 3% 3% + 1/4 200

1% 12 Brill B ↑ 15% 14% 15% + 1/4 100

20% 17 Brl B pf ↑ 15% 14% 15% + 1/4 400

15% 15 Brown Co pf ↑ 19% 18% 19% + 1/4 50

1% 14 Brown F & W ↑ 2% 2% 2% + 1/4 500

1% 14 Brown F & Dist ↑ 2% 2% 2% + 1/4 400

1% 14 Brown R. Barber ↑ 1% 1% 1% + 1/4 300

43 28 Buckeye P L (36) ↑ 37% 37% 37% + 1/4 100

22% 16 But N & E P pf (1,60) ↑ 20% 20% 20% + 1/4 800

100% 90% But N & E P pf (5%) ↑ 95% 95% 95% + 1/4 700

14% 9 Camb Hill Hill S (4%) ↑ 12% 11% 12% + 1/4 2,100

1% 14 Barry Biscuit ↑ 2% 2% 2% + 1/4 2,100

2% 14 CALLITTE T (20) ↑ 2% 2 2 + 1/4 3,200

22 56 Can Car & F pf ↑ 13 13 13 + 1/4 200

1% 56 Can Car Airw ↑ 6% 5% 6 + 1/4 200

1% 1 Can Ind Ale A (15g) ↑ 14% 14% 14% + 1/4 100

1% 56 Can Marsons (40e) ↑ 14% 14% 14% + 1/4 1,100

40% 27 Can Marsons (40e) ↑ 33% 33% 33% + 1/4 200

104% 92 Can P & L pf (6) ↑ 104% 104% 104% + 1/4 10

109% 97 Can P & L pf (7) ↑ 108 108 108 + 1/4 19

15% 54 Carrier Corp ↑ 8% 8% 8% + 1/4 1,800

1% 14 Catalin Am (10e) ↑ 2% 2% 2% + 1/4 300

127 98 Celanite pf (7a) ↑ 124 121 121 - 2 650

5% 26 Celluloid ↑ 4% 4% 4% + 1/4 300

34% 204 Celuloid pf ↑ 26% 26% 26% + 1/4 300

1% 2 Cel S & U 14 ↑ 1% 1% 1% + 1/4 50

17% 13 Cel Sud G & E (80) ↑ 14% 14% 14% + 1/4 300

105% 11 Cel N Pow pf (5) ↑ 99% 98% 98% + 1/4 70

115% 93 Cel P & L pf (7) ↑ 113% 112% 113% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

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1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

1% 26 Cel Marsons (40e) ↑ 1% 1% 1% + 1/4 50

Transactions on the New York Curb Exchange—Continued

In bankruptcy or receivership or being reorganized under the Bankruptcy Act or securities held by such companies. Stocks so marked are fully listed on the Curb Exchange. All others are dealt in on an unlisted trading basis. Rates of dividends in the foregoing table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. **xd** Ex dividend. **xx** Ex rights. **a** Also extra or extras. **d** Accumulated dividends paid last year. **e** Declared or paid so far this year. **f** Payable in stock. **g** Paid last year. **h** Cash or stock. **k** Accumulated dividends paid or declared this year. **u** Under rule. **ww** With warrants. **xw** Without warrants. **war** Warrants. **x** Unit of trading less than 100 shares; sales are

Industrial Expansion

Continued from Page 397

a profit on the disposal of such loans. The original commitment, an underwriting which involved a considerable amount of risk, will apparently be the RFC's contribution to the speeding up of the National Defense Program.

Incidentally a complete list of RFC commitments on defense loans was made public in the Congressional Record of Sept. 20. This should be of interest to bankers who are scouting around for loans of this type. The RFC has always been

glad to discuss the matter with those interested.

To what extent the defense program will stimulate commercial loans is anybody's guess. Most government economists are of the opinion that industrial inventories, which have remained on an even keel since the end of last year, are likely to increase before long and commercial loans usually follow the inventory curve. It is held that shortages in many semi-furnished materials are likely to develop and industrial companies will be influenced to increase inventories to avoid such bottlenecks.

Since most of the six billion dollars of

completed defense contracts have been closed so recently and contracts involving at least another nine billion dollars are still to be negotiated, there is also no way of estimating the probable future commitments of the RFC. Thus far RFC commitments total \$558 million—including \$145 million allocated to the Rubber Reserve Company, to acquire reserve supplies of raw rubber; \$105 million allocated to the Metal Reserve Company, to acquire reserve supplies of strategic and critical materials; \$53 million allocated to the Defense Supplies Corporation, to acquire reserve supplies of high-test aviation gasoline, and such other materials as the Na-

tional Defense Commission may designate; and \$5 million allocated to the Defense Plant Corporation, to aid in plant construction and purchase of machinery. The Defense Plant Corporation is concerned only with defense transactions in which the RFC obtains title to the needed land or plant or machinery, and leases it to the private manufacturer. The remaining \$255 million has been allocated for loans to expand defense plants, to purchase machinery, to expand aviation and trade schools, and so forth.

The Defense Commission has advised that other commitments in substantial amounts will be necessary.

Week Ended

Saturday, Sept. 21

Transactions on Out-of-Town Markets

TEL. BARCLAY 7-4300
DEAN WITTER & CO.
 14 WALL STREET
 NEW YORK
 MEMBER: NEW YORK STOCK EXCHANGE • SAN FRANCISCO STOCK EXCHANGE
 DIRECT PRIVATE WIRES
 SAN FRANCISCO PORTLAND HONOLULU SEATTLE LOS ANGELES

San Francisco Stock Exchange

STOCKS		STOCKS		STOCKS	
Sales.	High. Low. Last.	Sales.	High. Low. Last.	Sales.	High. Low. Last.
950 Airc Access	2.35 2.10 2.35	1,018 Sou Pacific	9/8 8/7 9	200 Abbott Lab.	56 58 58
257 Ang Calif	7/8 7/6 7/6	141 Sperry vtc.	40/4 38/4 40/4	1,600 Bunker M. T.	104 19 19/4
Nat Bank	7/8 7/6 7/6	500 Sprg Valley	5 5 5	4000 Wm. & Co.	194 19 19/4
400 As In Prod	4/4 4/4 4/4	1,613 Stolt Off.	18/4 18 18	200 Swift Internat.	154 18 18/4
228 Auto Imp	5/4 5/4 5/4	230 Super Mold	23/4 23/4 23/4	100 AetnaBull.	104 10 10/4
Diesel En.	5/4 5/4 5/4	3,520 Yamamori	4/4 4/4 4/4	250 Allied Prod.	135 11 13/4
25 Bk of Cal	20 20 20	1,000 Tread Y.	0.05 0.05 0.05	100 Allied Prod.	326 33 33
N A.	110 100 100	364 Un Oil Calif	13 12/4 13	182 Allis Chal.	90 91 91
100 Bishop Oil.	1.30 1.30 1.30	1,245 Union Sug.	6/4 6/4 6/4	90 Am P. & S.	104 10 10/4
235 Byron Jack	12/4 12/4 12/4	505 Vic Eqpt	9/2 8/2 9/2	770 T & T.	164/4 161/4 162/4
610 Cal Sugars	12/4 12/4 12/4	1,570 Vultee Airc.	9/4 8/4 9/4	2,200 Armour (Ill.)	4/4 4/4 4/4
1,500 Cal Min. Dist.	12/4 12/4 12/4	50 Wm. Airc. & Tr.	23/4 23/4 23/4	800 Asbestos	134 14 14/4
Gold Min.	20 20 20	5 Wells Fargo	28/4 28/4 28/4	1,900 Avia & Tr.	174 20 20/4
1,500 Cen Eure M	3/4 3/4 3/4	281 Lane Y.	1/4 1/4 1/4	750 Avia Corp.	4/4 4/4 4/4
256 Chrysler	7/8 7/6 7/6	281 Yell Checkr	1/4 1/4 1/4	230 Backst Welt	52 52 52
220 Con Copper	6 6 6	Cab 1.	20 20 20	100 Barlow	10 10 10
1,244 Cr Zellerb.	36/4 35/4 35/4	117 Yosemite Pt	1/4 1/4 1/4	100 Barlow	16 16 16
600 Cen Min.	8/4 8/4 8/4	Cem p.	1.65 1.65 1.65	320 Barlow-Bnl.	10 10 10
610 Divers Mfg	3/4 3/4 3/4	1,150 Inter-C' P.	0.05 0.05 0.05	350 Bendix Av.	31 30 30
22 Divers Chem	13/4 13/4 13/4	1,200 Lincoln Pet.	22 22 22	1,150 Bergoff Br.	8/4 8/4 8/4
712 Dow Ch rt	3/4 3/4 3/4	280 N. Menasco	2/4 2/4 2/4	42 Blls & L.	174 18 18/4
170 Emp Capw.	18 18 18	280 Norden Ltd.	0.04 0.04 0.04	1,800 Borg-Warn.	18/4 18/4 18/4
223 Emp Cap pf	41/4 41/4 41/4	8,450 AmToPld.	32 32 32	300 Brown Fw.	24 24 24
183 Fire Fd Ins	9/2 9/2 9/2	1,352 Am T & T.	164/4 160/4 162/4	350 Budweiser	1/4 1/4 1/4
400 Foster Fd	12/4 12/4 12/4	1,442 Richfield Oil	8/4 8/4 8/4	150 Brooks Bros.	4 5 5
242 Gall Mer L	20/4 20/4 20/4	384 Roberts P. M.	9/4 9/4 9/4	500 Butter crv	19/4 19/4 19/4
251 Metal.	7 7 7	350 Ryan Aero.	4/4 4/4 4/4	100 Castle new.	19 19 19
1,161 Gen Motors	48/4 48/4 48/4	48 Sec Co	2/4 2/4 2/4	100 Castle new.	19 19 19
163 Gen Paint.	5/4 5/4 5/4	100 Com Co.	26/4 26/4 26/4	100 Cent-SWU.	107/4 107/4 107/4
100 Gen Pt pf	31 31 31	125 Gen Rad.	7/4 7/4 7/4	200 Cent-SWU.	43 40 43
105 Glad McB.	5/4 5/4 5/4	1,089 Gen. Co.	3/4 3/4 3/4	2,600 Cent-SWU.	10 10 10
200 Gold State	5/4 5/4 5/4	459 Blair & Co.	1.35 1.35 1.35	2,600 Cent-SWU.	10 10 10
212 Hawaii Pet.	16 16 16	400 Bunk H&Sul.	12 11/4 12	2,600 Cent-SWU.	10 10 10
400 Hoo Devl	5/2 5/1 5/1	5 Cities Serv.	6 6 6	100 Repub Pet.	1/4 1/4 1/4
150 Honolulu Ol	13 13 13	125 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
200 Hud Motor.	3/4 3/4 3/4	125 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
30 Hutz Salt	7 7 7	125 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
205 Leslie Salt	40 40 40	125 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
285 Lock Airc.	28/4 28/4 28/4	125 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
500 Magnavox	65 65 65	500 Curt-Wrl.	8 7/4 7/4	100 Repub Pet.	1/4 1/4 1/4
140 Mfg Co.	7/4 7/4 7/4	50 Fibre Brd.	1/4 1/4 1/4	100 Repub Pet.	1/4 1/4 1/4
401 Mfg Cal M	15/4 15/4 15/4	Pr pf.	105 105	100 Repub Pet.	1/4 1/4 1/4
115 Natomas Mfg	2/4 2/4 2/4	80 Gdrich (BZ)	12 13 13	100 Repub Pet.	1/4 1/4 1/4
50 N Am Inv.	2.55 2.55 2.55	710 Tintie Can	27/4 26/4 26/4	100 Repub Pet.	1/4 1/4 1/4
65 Occid Insur	26/4 26/4 26/4	280 Tintie Can	27/4 26/4 26/4	100 Repub Pet.	1/4 1/4 1/4
200 O'Con, AA	4/4 4/4 4/4	1,045 Vultee Airc.	9/4 9/4 9/4	100 Repub Pet.	1/4 1/4 1/4
100 Oliver U.	4 4 4	400 Wellington	24/4 24/4 24/4	100 Repub Pet.	1/4 1/4 1/4
28 Pac Sug Pl	5/4 5/4 5/4	Oil of Del 1%	1/4 1/4	100 Repub Pet.	1/4 1/4 1/4
100 Pac Cl Pro	5/4 5/4 5/4	Unlisted Stocks	1/4 1/4 1/4	100 Repub Pet.	1/4 1/4 1/4
650 Pac Cst Ag	1.30 1.30 1.30	10 Am R & S	6/4 6/4 6/4	100 Repub Pet.	1/4 1/4 1/4
1,303 Pac G & E	29/4 29/4 29/4	50 Am R & S	6/4 6/4 6/4	100 Repub Pet.	1/4 1/4 1/4
1,925 Pac G & E	6/4 6/4 6/4	50 Am S	8/4 8/4 8/4	100 Repub Pet.	1/4 1/4 1/4
308 Pac G & E	1/4 1/4 1/4	100 Bunk H & S	12 11/4 12	100 Repub Pet.	1/4 1/4 1/4
612 Pac Light	40 40 40	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
70 Pac Light	107/4 107/4 107/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
322 Pac PubSer	5 5 5	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
285 Pac PubSer	1/4 1/4 1/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
1st pf.	17/4 17/4 17/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
37 Pac T & T	1.27 1.27 1.27	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
10 Pac T & T	1.27 1.27 1.27	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
100 Pac T & T	1.27 1.27 1.27	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
610 Paraffine	152 152 152	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
600 Pign Wh pf	38 34 38	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
130 Pug S P & T	17/4 17/4 17/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
307 R E & Co	2.80 2.75 2.75	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
10 R E & R	15/4 15/4 15/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
415 Rayon Ind.	17/4 17/4 17/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
758 Rayon Ind.	14/4 14/4 14/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
477 Richfield Oil	8/4 8/4 8/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
490 Ryan Aero.	4/4 4/4 4/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
154 Schlesinger	1.70 1.70 1.70	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
20 Schlesinger	7/4 6/4 6/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
100 Sig Okt.	25/4 25/4 25/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
804 SviewP.	25/4 25/4 25/4	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
28 SviewP.	100 100	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4
620 Cal Gas	pf A.	100 Coen Lt.	10 10 10	100 Repub Pet.	1/4 1/4 1/4

Cleveland

STOCKS		STOCKS		STOCKS	
Sales.	High. Low. Last.	Sales.	High. Low. Last.	Sales.	High. Low. Last.
264 Airway Elec	22 22 24	2 Alum Ind.	5/4 5/4 5/4	200 Abbott Lab.	56 58 58
124 AmHome P	52 50 52	114 Am Lau M.	16/4 16/4 16/4	1,600 Bunker M. T.	104 19 19/4
25 Apex Mfg	1/4 1/4 1/4	20 Am Pr P	2/4 2/4 2/4	4000 Wm. & Co.	194 19 19/4
100 Brew C.	95 95 95	95 Burger Brew	2/4 2/4 2/4	400 Swift Internat.	154 18 18/4
93 Cln C.	104 96 96	50 Churnig P.	4/4 4/4 4/4	500 Monto	104 10 10/4
187 Cl C Br.	1/4 1/4 1/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
250 Cl C Br.	58 57 57	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
65 C Grap Br.	34/4 34/4 34/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
200 Clev Rayl.	24/4 24/4 24/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
1,074 Cliffs C.	16/4 16/4 16/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
219 Colgate P.	3/4 3/4 3/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
44 Firest. T&E	15/4 15/4 15/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
70 Glidden Co.	12/4 12/4 12/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
25 G'Drich & R.	12/4 12/4 12/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
69 Gdry. Co.	20/4 20/4 20/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
10 L Towl.	20 20 20	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
281 G L Towl.	70 70 70	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
96 Gr Bro C	42/4 42/4 42/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
25 Halle Bros.	12/4 12/4 12/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
53 Halle Bros.	12/4 12/4 12/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
10 H'Ham M.	35/4 35/4 35/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
sum pf.	104 104 104	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
121 Harbauer C.	3 3 3	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
20 Indus Inv.	23/4 23/4 23/4	50 Churnig P.	104 10 10/4	500 Monto	104 10 10/4
215 Kelly I Lat.	12/4 12/4 12/4	50 Churnig P.	104 10 10/4		

OPEN MARKET FOR UNLISTED SECURITIES

These quotations are for bankers, brokers and dealers and are accepted for publication as actual markets. The number at the left of a quotation identifies it with the name of the firm in the index making the market. Prices are as of close of business on Monday.

Industrial Stocks

Key.	Bid.	Offer.	Key.	Bid.	Offer.
Alabama Mills	1	1 1/4	Giddings & Lewis Mch Tool	30	31 1/4
American Arch	29	32	Good Humor	37	38
American Bemberg A.	164	184	Gration & Knight	34	36
Am. Cyanamid 5% cv pf	11	12	Gration & Knight 7% pf	44 1/2	49 1/2
1st series	11 1/2	12	Great Lakes S	42	44 1/2
Am Cyanamid 5% cv pf	11 1/2	12	Great Northern Paper	38	42
2d series	11 1/2	12	Harrisburg Steel	134	141
Am Dist 5% cum pf	3	4	Interstate Bak	17	2
Amer Enka	48	50 1/2	Interstate Bak	202	244
Amer Hardware	23	24	Jonesburg	17	20
American Mfg.	16	18	King Soeley	87	94
American Mfg. 5% cum pf	69	74	Landers, Frary & Clark	24	26
Arden Farms Co vtc	2	2 1/2	Lawrence Portland Cen.	114	134
Arden Farms Co 43 conv part pf	36	37 1/2	Long Bell Lum conv pf	66	68
Argo Oil	3	4 1/4	Mallory (P R) Co.	127	144

COMPO SHOE MACHY.
5% Convertible Preferred

LOEWI & CO.
MILWAUKEE
TELETYPE
DAILY 53-92
MILW. 488

Armstrong Mills	24	26 1/2
Armstrong Rubber A	53	57
Art Metal Construction	14	16 1/2
Autocar Co	107	114
Borden's Started 51.2% pf	59	62
Botany Worsted M A	12	24
Brown & Sharpe Mfg Co. 181	185	
Buckeye Steel Cast	18	19 1/2
Chilton Co	34	44
City & Suburban Homes	54	64 1/2
Coca-Cola Bottling N Y	60	65 1/2
Comptek Corp	12	12
Columbus Bak 51 cum pf	20	23
65 Compo Shoe Mach conv cum pf	49	51
Cone Aircraft 82 cv pf.	59 1/2	62
Crowell-Collier Pub	22	25 1/2
Cuban Am Manganese Cp	8	10
Cunesi Fins	100	114
Diamond Supply	57	60
Dove & Raynolds B	134	154
Dictaphone Co	32	35 1/2
Dixon (J) Crucible	234	26 1/2
Domestic Finance pf	28	31 1/2
Draper Corp	674	704
Dun & Bradstreet	314	344
East Sugar Assoc.	34	38
Eastman Assoc. pf	208	214
Farnsworth Tel & Radio	2	2 1/2
Fashion Park Assoc	1	2
Fashion Park Assoc pf	4	5 1/2
Foliansbee Bros new com	54	64
Foliansbee Bros new pf	204	228
Foundation Co	2	3
Garlock Pkg	50	56 1/2
General Machinery Corp	22	24

Bank Stocks

Boston:	
First National	41 1/4
Merchants National	380
National Rockland	60
National Shawmut	22 1/2
Second National	135
State Street Trust	300
U S Trust	11 1/2
U S Trust pf.	12 1/2
Webster & Atlas	46

Newark:

Federal	4 1/2	5 1/2
Fidelity Union	22	23
Lincoln National	14	18
Mer Newark	5	19
Nat New Eng.	54	58
Nat State Bank	490	
United States	17	19
West Side	5 1/2	7

Philadelphia:

Broad St Tr	8	8
Central Penn National	28 1/2	31 1/2
Chestnut Hill Trust	12	16
City National	134	154
Corn Exchange	30	42
Elie	45	50
Fidelity Philadelphia	210	225
Finan Co of Pennsyl.	135	145
First National	285	300
Frankford	35	37
Germanstown	64	8
Girard	512	541
Industrial	22 1/2	25 1/2
Kensington	24	27
Land Title	29	33
Liberty	300	315
Market Street Natl	14	19
Mitten Trust	44	47
Nat Germanstown	44	47
NH Corp & Trust	2	3 1/2
North Broad	3	4 1/2
Northeast	66	71
North Philadelphia	75	80
Northern	500	525
Northwestern	11	14
Oiley	4	6
Pennsylvania Co	28 1/2	31 1/2
Pilothia	200	217 1/2
Provident	260	275
R E Trust	16 1/2	19 1/2
Roosevelt Trust	25	25
Second	2 1/2	4
Security Trust	4 1/2	6
Tioga	4	6
Tradesmen's	113	118
Wyoming Trust	9	12

St. Louis:

Boatmen's National	32 1/2	33 1/2
Fair Nat	35	36
Manufacturers	33 1/2	35 1/2
Manufacturers cum pf.	52 1/2	54 1/2
Merchants National	115	125
National Bronx	40	45
National City	104	28 1/2
National Safety	102	104
New York Trust	101	104
Penn Exchange	10	12
Public National	28 1/2	30
Sterling National	24	26
Title Guarantees	24	34
Trade	12 1/2	12 1/2
Underwriters Trust	80	94
United States Trust	1475	1525

Bank of America N T S. 38 1/2 38 1/2

KEY AND INDEX

The number at the left of the firm name identifies it with the corresponding number in the listings.

OW—Offerings Wanted. BW—Bids Wanted.

62—Stifel Nicolaus & Co., Inc., 105 W. Adams St., Chicago, Ph. | 68—Loewi & Co., 225 E. Mason St., Milwaukee. Ph. Daily 5392. See Above.

Public Utility Stocks

Key.	Bid.	Offer.	Key.	Bid.	Offer.
Alabama Power pf	101 1/2	104 1/2	Panhandle E P & L	35 1/2	37 1/2
Am Dist of N J	91 1/2	96 1/2	Peninsular Tel & Tel	32 1/2	34 1/2
Am Dist Tel of N J pf	112 1/2	116	Penn Edison pf	64 1/2	66 1/2
Arkansas Power & Lt pf	94 1/2	98 1/2	Penn Pwr & Lt pf	111	112 1/2
Atlantic City Elec pf	121	124	Phila Co cum pf	76 1/2	78 1/2
Bell Tel of Pa pf	120 1/2	123 1/2	Plainfield Union Water	91	95
Birmingham Elec pf	82	83 1/2	Rochester Tel & Tel 1st pf	112	105 1/2
Carolina Elec & Gas pf	107 1/2	110 1/2	South & Atlantic Tel	16	18
Carolina Elec & Gas pf	107 1/2	107 1/2	So New England Tel	160	163
Central El & Lt 6% cu pf	44	47	Texas Power & Lt pf	109	111 1/2
Central Maine Pw 5% pf	101 1/2	104 1/2	Utah Pwr & Lt pf	74 1/2	76 1/2
Central Me Pw 7% pf	109 1/2	109 1/2	West Texas Ut pf	100 1/2	102 1/2
Central Pw & Lt pf	113	115 1/2	Wis E P 4% pf	99	101

Key.

26 1940